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# AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

## The Target Market Study Area Neighborhood Business Corridors

The City of Grand Rapids,  
Kent County, Michigan

March, 2015

Conducted by  
ZIMMERMAN/VOLK ASSOCIATES, INC.  
P.O. Box 4907  
Clinton, New Jersey 08809



# ZIMMERMAN/VOLK ASSOCIATES, INC.

P.O. Box 4907  
Clinton, New Jersey 08809  
908 735-6336  
www.ZVA.cc • info@ZVA.cc  
Research & Strategic Analysis

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#### INTRODUCTION

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This purpose of this study is to determine the annual market potential for new housing units—created through adaptive re-use of existing non-residential buildings and rehabilitation of existing single-family detached houses as well as through new construction—that could be developed over the next several years within the City of Grand Rapids. This study also determines the annual market potential for new urban housing units—created both through adaptive re-use of existing non-residential buildings as well as through new construction—that could be developed over the next several years within the neighborhood business corridors located within the Neighborhood Stabilization Program (NSP) boundaries (the Target Market Study Area) and the City of Grand Rapids.

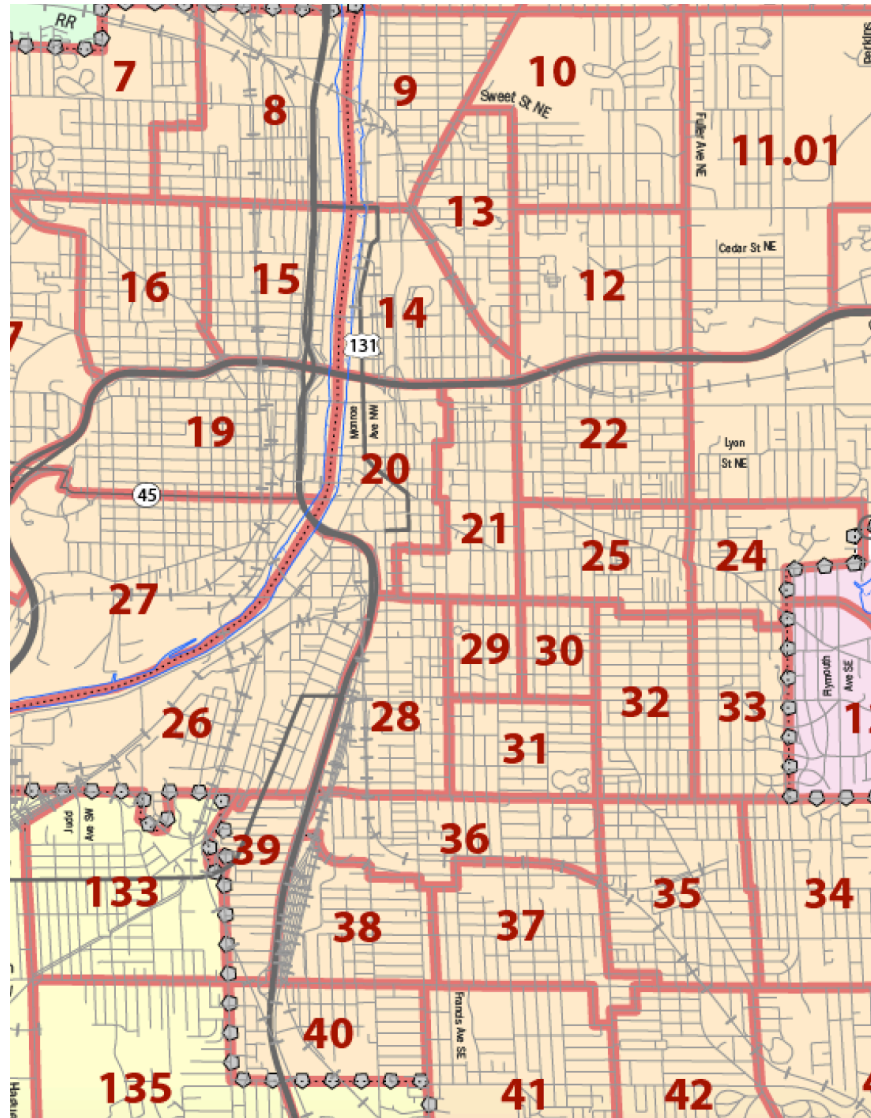
The Target Market Study Area includes six specific areas of study, comprising a number of neighborhood business corridors (*reference* Map 1, Neighborhood Business Corridors *and* Map 2, Census Tracts):

- Northeast (Creston business district, Census Tract 9);
  - Westside (West Leonard, Stockbridge, and West Fulton business districts, Census Tracts 8, 15, 16, 19 and 27);
  - Downtown (including the Monroe North and Heartside business districts, Census Tracts 14, 20 and 21);
  - Uptown (the East Fulton, Cherry/Lake/Diamond, Wealthy Street, and Eastown business districts, Census Tracts 24 and 25);
  - Southwest (the Grandville business district, Census Tracts 26 and 39); and
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- The map displays the following neighborhoods and their approximate locations:
- West Leonard** (light blue)
  - Stockbridge** (purple)
  - West Fulton** (red)
  - East Fulton** (light blue)
  - Michigan Street** (yellow)
  - Heartside** (green)
  - Cherry/Lake/Diamond** (light green)
  - Wealthy St.** (purple)
  - Franklin/Eastern** (red)
  - Division South** (orange)
  - Madison Square** (yellow)
  - Burton Heights** (light blue)
  - Grandville** (purple)
  - Division** (green)
  - Eastown** (grey)
  - Boston Square** (purple)
  - Seymour Square** (green)
  - Alger** (red)
  - Alger Heights** (red)
- Major roads and landmarks include I-196, I-131, US-131, Grand River, Market, and various local streets like 4th, 6th, 28th, and 32nd. A scale bar and north arrow are located in the bottom right corner.

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MAP 2: CENSUS TRACTS

The extent and characteristics of the potential market for new and existing housing units within the city and the Study Area were identified using Zimmerman/Volk Associates' proprietary target market methodology. In contrast to conventional supply/demand analysis—which is derived from supply-side dynamics and baseline demographic projections—target market analysis establishes the market potential for new and existing housing based on the housing preferences and socio-economic characteristics of households in the relevant draw areas.

The target market methodology is particularly effective in defining realistic housing potential for underutilized, fragile or emerging neighborhoods because it encompasses not only basic demographic characteristics, such as income qualification and age, but also less-frequently analyzed attributes such as mobility rates, lifestage, lifestyle patterns, and household compatibility issues (*see METHODOLOGY discussion provided with detailed tabular data in a separate document*).

The context of the analysis is a housing market that remains unsettled, both nationally and regionally. Rental housing is strong in most areas, with occupancies, in general, having risen over the past several years. Newly-constructed for-sale housing has recovered in some metros but continues to languish in others, where inventory overhang from the housing crash is slowly being absorbed. The number of first-time buyers remains below historical norms, depressing re-sales and hence thwarting some would-be move-up buyers. Although these market constraints do not reduce the size of the potential market, depending on the timing of market entry, the initial percentage of the potential market able to overcome those constraints may well be reduced, resulting in a lower overall absorption of for-sale housing.

In brief, using the target market methodology, Zimmerman/Volk Associates determined:

- Where the potential renters and buyers of new and existing housing units in the City of Grand Rapids and the Target Market Study Area currently live (the draw areas);
- How many households have the potential to move within and to the city and to the Study Area each year (depth and breadth of the market);
- What their range of affordability is, and what their housing preferences are in aggregate (income qualifications; rental or ownership, multi-family or single-family);
- Who the households are that represent the potential market for new and existing units in the city and the Study Area (the target markets);
- What their current housing alternatives are (relevant rental and for-sale development);
- What the market is currently able to pay (market-rate base rents and prices); and
- How quickly the new units will lease or sell (absorption forecasts).

## CONCLUSIONS OF THE ANALYSIS

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This study has determined that, from the market perspective, between 4,130 and 5,535 new market-rate rental and for-sale housing units could be constructed, and/or created through adaptive re-use of existing building, and absorbed within the Target Market Study Area over the next five years.

An additional 1,575 to 2,080 new workforce/affordable housing units could be supported over the same time frame, for a combined annual total of between 5,705 and 7,615 new market-rate and workforce/affordable housing units absorbed in the Study Area over the next five years.

The study has established that an annual average of nearly 22,900 households represent the potential renters and buyers of new and existing housing units within the City of Grand Rapids each year over the next five years.

Of those 22,875 households, 8,500 households represent the potential renters and buyers of new and existing housing units within the Target Market Study Area each year over the same time period.

- Of those 8,500 households, 2,025 households have incomes between 30 and 80 percent of the 2014 Grand Rapids-Wyoming median family income (AMI) of \$62,800 for a family of four, calibrated by household size.
  - » 1,120 of those 2,025 households are potential renters of new affordable/workforce urban housing units.
    - The market position (unit sizes and rents) of these income-qualified units is determined by the finance and subsidy programs utilized.
    - Absorption is forecast at an average of 224 to 280 new affordable/workforce rental units per year.
    - To achieve these absorption paces, new affordable/workforce rental development in the Target Market Study Area is forecast to capture between 20 and 25 percent of the 1,120 annual potential renters with incomes between 30 and 80 percent AMI.

- » 240 of those 2,025 households are potential purchasers of new affordable/workforce urban condominiums (multi-family for-sale).
  - The market position (unit sizes and prices) of these income-qualified units is determined by the finance and subsidy programs utilized.
  - Absorption is forecast at an average of 24 to 36 new affordable/workforce condominium units per year.
  - To achieve these absorption paces, new affordable/workforce condominium development in the Target Market Study Area is forecast to capture between 10 and 15 percent of the 240 annual potential condominium buyers with incomes between 30 and 80 percent AMI.
- » 345 of those 2,025 households are potential purchasers of new affordable/workforce urban rowhouses/townhouses (single-family attached for-sale).
  - The market position (unit sizes and prices) of these income-qualified units is determined by the finance and subsidy programs utilized.
  - Absorption is forecast at an average of 35 to 52 new affordable/workforce rowhouse/townhouse units per year.
  - To achieve these absorption paces, new affordable/workforce rowhouse/townhouse development in the Target Market Study Area is forecast to capture between 10 and 15 percent of the 345 annual potential rowhouse/townhouse buyers with incomes between 30 and 80 percent AMI.
- » 320 of those 2,025 households are potential purchasers of new or rehabilitated affordable/workforce urban houses (single-family detached for-sale).
  - The market position (unit sizes and prices) of these income-qualified units is determined by the finance and subsidy programs utilized.
  - Absorption is forecast at an average of 32 to 48 new or rehabilitated affordable/workforce single-family houses per year.
  - To achieve these absorption paces, new affordable/workforce condominium development in the Target Market Study Area is forecast to capture between 10

and 15 percent of the 320 annual potential buyers of single-family detached houses with incomes between 30 and 80 percent AMI.

- Of those 8,500 households, 5,605 households have incomes at or above 80 percent of AMI, calibrated by household size.
  - » 2,650 of those 5,605 households are potential renters of new market-rate urban housing.
    - The annual incomes of these 2,650 households can support market-rate base rents, not including utilities, ranging from \$700 to \$2,700 per month, depending on location in the Study Area.
    - Based on the recommended unit configurations and proposed rents, absorption is forecast at an average of 530 to 663 market-rate rental units per year.
    - To achieve these absorption paces, new market-rate rental development in the Target Market Study Area is forecast to capture between 20 and 25 percent of the 2,650 annual potential renters with incomes at or above 80 percent AMI.
  - » 825 of those 5,605 households are potential purchasers of new market-rate urban condominiums (multi-family for-sale).
    - The annual incomes of these 825 households can support base prices of new market-rate condominiums ranging from \$125,000 to \$425,000, depending on location in the Study Area.
    - Based on the recommended unit configurations and proposed prices, absorption is forecast at an average of 83 to 124 units per year.
    - To achieve these absorption paces, new development of market-rate urban condominiums is forecast to capture 10 to 15 percent of the 825 annual potential new condominium purchasers with incomes at or above 80 percent AMI.
  - » 900 of those 5,605 households are potential purchasers of new market-rate urban townhouses/rowhouses/live-work units (single-family attached for-sale).

- The annual incomes of these 900 households can support base prices of new market-rate townhouses/rowhouses/live-work units ranging from \$160,000 to \$365,000, depending on location in the Study Area.
  - Based on the recommended unit configurations and proposed prices, absorption is forecast at an average of 90 to 135 units per year.
  - To achieve these absorption paces, new construction of market-rate urban townhouses is forecast to capture approximately 10 to 15 percent of the 900 annual potential purchasers of new townhouses with incomes at or above 80 percent AMI.
- » 1,230 of those 5,605 households are potential purchasers of new or rehabilitated market-rate urban houses (single-family detached for-sale).
- The annual incomes of these 1,230 households can support base prices of new or rehabilitated market-rate urban houses ranging from \$195,000 to \$250,000, depending on location in the Study Area.
  - Based on the recommended unit configurations and proposed prices, absorption is forecast at an average of 123 to 185 units per year.
  - To achieve these absorption paces, new construction/rehabilitation of market-rate urban houses is forecast to capture approximately 10 to 15 percent of the 1,230 annual potential purchasers of new urban houses with incomes at or above 80 percent AMI.

Based on absorption forecasts, the total of 6,250 new housing units (4,500 market-rate, 1,750 affordable/workforce) could be achieved within the Target Market Study Area over the next five years. As derived from the target households' tenure and housing propensities and financial capabilities, the optimum mix of 6,250 housing units would include:

- 2,128 new market-rate urban rental lofts and apartments  
1,850 in the Downtown, Uptown, Westside and the Northeast  
278 located in the Southeast and Southwest
- 968 new affordable/workforce urban rental lofts and apartments  
790 in the Downtown, Uptown, Westside and the Northeast  
178 located in the Southeast and Southwest
- 662 new market-rate urban lofts/condominiums  
525 in the Downtown, Uptown, Westside and the Northeast  
137 located in the Southeast and Southwest
- 207 new affordable/workforce urban lofts/condominiums  
165 in the Downtown, Uptown, Westside and the Northeast  
42 located in the Southeast and Southwest
- 723 new market-rate urban rowhouses/townhouses and live-work units  
500 in the Downtown, Uptown and Westside  
223 rowhouses/townhouses in the Northeast, Southeast and Southwest
- 298 new affordable urban rowhouses/townhouses and live-work units  
170 in the Downtown, Uptown and Westside  
128 rowhouses/townhouses in the Northeast, Southeast and Southwest
- 987 new market-rate urban single-family cottages and detached houses  
All in Westside, the Northeast, Southeast and Southwest
- 277 new affordable/workforce urban single-family cottages and detached houses  
All in Westside, the Northeast, Southeast and Southwest



## OVERVIEW OF THE CITY OF GRAND RAPIDS

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The City of Grand Rapids, the county seat of Kent County, is the second largest city in Michigan, and the largest city in western Michigan. The official founder of the city was Louis Campau, who built a trading post on the east bank of the Grand River in 1826. In 1831, Campau bought 72 acres from the federal government—an area that is now the entire business district of the city—and named it Grand Rapids. The settlement incorporated as a village in 1838, and in 1850 it was incorporated as a city.

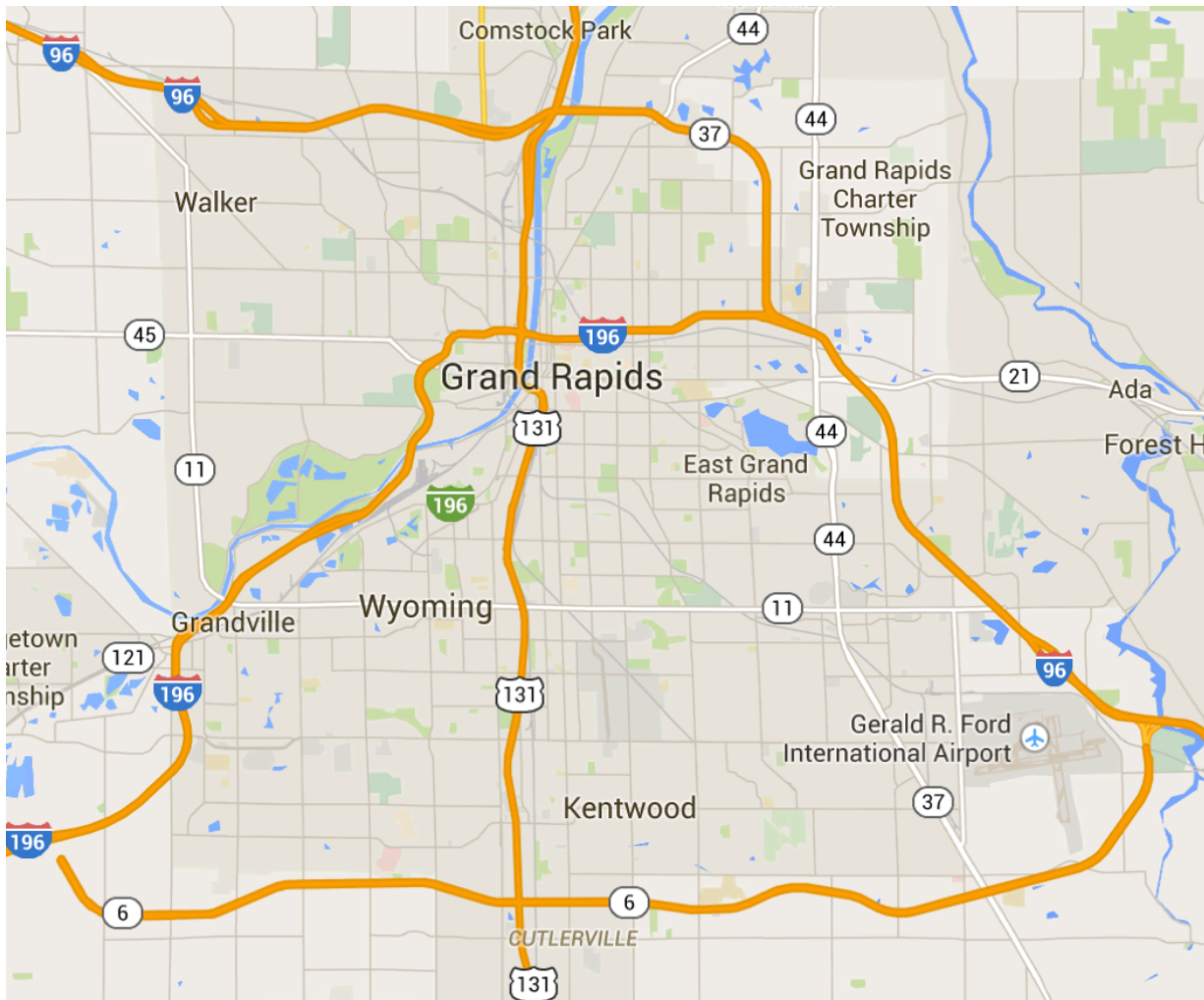
Lumbering became a major industry in the city during the second half of the 19<sup>th</sup> Century, and by the end of that century, the city had become established as the premier furniture-manufacturing city in the country.

The city is divided into four quadrants, with Fulton Street dividing the city between north and south, and Division Street forming the boundary between east and west. The Downtown street network extends into the in- neighborhoods that surround it.

Several important highway corridors pass through or near Grand Rapids. (*Reference* Map 3, Arterial Network.) Interstate 96 is a 192-mile highway that connects eastern and western Michigan, running from Norton Shores in the west to its intersection with Interstate 75 near the Ambassador Bridge in Detroit. The freeway passes north of Grand Rapids, through the suburb of Walker.

The 80-mile Interstate 196, the Gerald R. Ford Freeway, connects I-96 with I-94, the northernmost east/west interstate running from Montana to Port Huron, Michigan and the Canadian border. The highway traverses Grand Rapids just north of Bridge Street and Michigan Avenue, and several exits off I-196 provide access to Downtown Grand Rapids and many of its in-town neighborhoods. I-196 intersects with U.S. 131 west of the Grand River.

Bisecting the city, U.S. 131 is an important north-south corridor beginning just south of the state line in Indiana, connecting the metropolitan areas of Kalamazoo and Grand Rapids, and terminating in Petoskey in the north.



MAP 3: ARTERIAL NETWORK

Michigan Highway 6 is a 20-mile-long state highway which connects I-196 on the west with I-96 on the east, and intersects with U.S. 131 midway along its route.

In addition to the neighborhood business districts, the Target Market Study Area encompasses many of the city's oldest neighborhoods. Downtown Grand Rapids covers not only the core (Center City), but also Hillside to the east, Heartside to the south, the easternmost part of Westside adjacent to the Grand River, and North Monroe to the north. Downtown provides a

broad spectrum of urban amenities; approximately 36,000 people work there, 31,000 students attend colleges and universities there, and approximately 3,400 dwelling units are currently located there.

The Interurban Transit Partnership, commonly known as The Rapid, provides bus service throughout the city. All of the bus routes converge on Central Station, between Williams and Wealthy Streets in Downtown. (*Reference* Map 4, Bus Network.) DASH (Downtown Area Shuttle) buses provide transportation from parking lots in the city to locations in and around Downtown. The Silver Line is the first bus rapid transit system (BRT) in Michigan, and links Grand Rapids with Kentwood and Wyoming along Division Avenue. Greyhound buses also depart from the Central Station, as does the Megabus which started service in 2012 from Grand Rapids to Chicago, Detroit, East Lansing, and Indianapolis. Intercity bus service to Petoskey, Benton Harbor and Kalamazoo is provided by Indian Trails.

Amtrak's Pere Marquette line provides direct rail passenger service to Chicago.

The Gerald R. Ford International Airport lies about 13 miles southeast of Downtown in Cascade Township. Five airlines—Allegiant Air, American Eagle, Delta/Delta Connection, Southwest and United/United Express—provide more than 150 non-stop flights per day to 23 destinations across the United States and Toronto, Canada.

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*The City of Grand Rapids, Kent County, Michigan*  
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MAP 4: BUS NETWORK

## DEMOGRAPHICS OF THE TARGET MARKET STUDY AREA AND THE CITY OF GRAND RAPIDS \_\_\_\_\_

Based on past demographic trends, the Nielsen Company, a respected provider of Census-based demographic data, estimates that the Target Market Study Area's population stands at 73,785 persons in 2015, down from 76,861 persons as of the 2010 Census, a drop of four percent. (*See Table 1.*) However, Nielsen projects that the Study Area's population will start to grow, reaching 75,967 persons by 2020, an increase of nearly three percent over the next five years. The City of Grand Rapids is also forecast to gain population between 2015 and 2020, from an estimated 194,722 persons currently living in the city to a projected 200,001 persons by 2020, an increase of 2.7 percent.

There were 26,344 households living in the Study Area as of the 2000 Census, falling to 25,185 households as of the 2010 Census. Between 2015 and 2020, the estimated number of 26,813 households currently living in the Study Area is projected to rise to 27,994 households; the 2020 projection represents an increase of 4.4 percent over the 2015 estimates. The number of households in the City of Grand Rapids is also projected to rise between 2015 and 2020, from an estimated 76,045 households currently living in the city to a projected 78,941 households by 2020, an increase of 3.8 percent.

The number of persons per household has a direct impact on the type of housing needed, with smaller households typically requiring less square footage than larger households.

- Just over 58 percent of all households that live in the Study Area contain just one or two persons (below the national percentage by 1.4 percentage points and well below the 62.8 percent in the City of Grand Rapids).
- 14.6 percent contain three persons (below both the national share of 16.2 percent and the city's share of 15 percent).
- The remaining 27.3 percent contain four or more persons (significantly above the 24.3 percent nationally and 22.2 percent in the City of Grand Rapids).

Table 1  
Key Demographic Data  
2015 Estimates

	Target Market Study Area	City of Grand Rapids	Kent County	United States
Population	73,785	194,722	631,818	319,459,991
Households	26,813	76,045	239,523	121,099,157
Housing Units	31,471	84,589	259,361	136,668,489
1&2 pp HHs†	58.1%	62.8%	58.6%	59.5%
3 pp HHs	14.6%	15.0%	16.0%	16.2%
4+ pp HHs	27.3%	22.2%	25.4%	24.3%
Married couples w/ children	14.8%	16.4%	23.3%	21.6%
Single persons w/ children	20.6%	14.9%	11.7%	11.7%
HHs without children	64.6%	68.7%	65.0%	66.7%
Median HH income	\$31,956	\$41,010	\$52,535	\$53,706
HHs below \$25,000	42.0%	31.7%	22.5%	23.5%
White	52.7%	64.1%	78.9%	71.1%
African American	22.8%	20.6%	9.9%	12.7%
Asian	0.1%	2.1%	2.6%	5.2%
Other	24.4%	13.2%	8.6%	11.0%
Hispanic/Latino	30.5%	15.8%	10.2%	17.6%
Single-family attached units	3.2%	5.7%	6.3%	5.8%
Single-family detached units	50.0%	58.8%	65.2%	61.5%
Units in 2-unit bldgs.	20.2%	10.7%	4.6%	3.7%
Units in 3- to 19-unit bldgs.	14.7%	15.2%	13.7%	13.7%
Units in 20+-unit bldgs.	11.4%	9.2%	6.3%	8.6%
Mobile home or trailer	0.5%	0.4%	3.9%	6.7%
Vacant units	14.8%	10.1%	7.6%	11.4%
Renter-occupied units	58.4%	44.1%	30.5%	35.0%
Owner-occupied units	41.6%	55.9%	69.5%	65.0%
Units new since 2010	5.6%	4.9%	5.1%	4.3%
Median housing value	\$88,897	\$120,090	\$148,353	\$191,227
No vehicle ownership	18.3%	13.6%	7.9%	9.1%
Own 1 vehicle	42.2%	39.8%	33.0%	33.9%
Own 2 or more vehicles	39.5%	46.6%	59.1%	57.0%
Drive alone	67.5%	76.0%	82.5%	76.4%
Car-pool	14.2%	10.8%	8.8%	9.7%
Take public transportation to work	5.6%	3.5%	1.6%	5.0%
Walk to work	5.8%	3.5%	1.8%	2.8%
Other	6.9%	6.2%	5.3%	6.1%
White-collar employment	46.7%	56.1%	59.6%	60.6%
Blue-collar employment	27.2%	22.5%	22.6%	20.4%
Service/farm employment	26.1%	21.4%	17.8%	19.0%

† Households

SOURCES: U.S. Bureau of Census; The Nielsen Company;  
Zimmerman/Volk Associates, Inc.

The composition of those households can also affect the type of housing required and influence housing preferences. Households with children typically prefer single-family detached houses located in a good school district; however, older and younger households without children represent the bulk of the potential market for downtown and urban neighborhoods, and they are much more likely to select smaller units, often in multi-family buildings.

- Less than 15 percent of the Study Area's households could be characterized as traditional families, *e.g.*—married couples with children under age 18 (compared to 16.4 percent in the city and 21.6 percent nationally).
- Non-traditional families with children, *i.e.*—single persons with children under 18, represent 20.6 percent of the Study Area's households (just 14.9 percent in the City of Grand Rapids and 11.7 percent nationally).
- The remaining 64.6 percent of Study Area households do not have children under 18 and include married couples (11.2 percent), other non-traditional family households (7.9 percent, related adults living in the same households), and 45.5 percent non-family households (singles or more than one unrelated adult living in one household).

Median household income in the Target Market Study Area is estimated at \$31,956, just over \$9,000 less than the City of Grand Rapids median income of \$41,010 and nearly \$22,000 below the national median of \$53,706. Approximately 42 percent of the Study Area's households have incomes below \$25,000 per year, compared to 31.7 percent in the city, and 23.5 percent nationally.

Racially, the Study Area's population is significantly different from the nation as a whole.

- Over half of the Study Area's current residents are white (64.1 percent in the city and 71.1 percent nationally).
- Nearly 23 percent are African American (20.6 percent in Grand Rapids and 12.7 percent nationally).
- 0.1 percent are Asian (2.1 percent in the city and 5.2 percent nationally).

- The remaining 24.4 percent are native Hawaiian, some other race, or a mix of two or more races (13.2 percent in the City of Grand Rapids and 11 percent nationally).  
NOTE: The Census Bureau originally created “some other race alone” as a small residual category, but the results of the 2010 Census showed that it had become the third largest race group, after white alone and black alone, with respondents of Hispanic origin comprising most of those self-classifying as “Some Other Race Alone.”

Approximately 30.5 percent of the Study Area population is Hispanic/Latino by origin, predominantly Mexican, Puerto Rican and Cuban (15.8 percent in the city and 17.6 percent nationally).

Study Area residents have a lower average level of educational attainment than the nation as a whole. Just under 21 percent of all Study Area residents aged 25 or older have a college or advanced degree, well below the national share of 28.9 percent which is below the City of Grand Rapids’ 29.7 percent.

As in most areas of the country, single-family detached houses are the predominant housing type in the Target Market Study Area.

- Half of the Study Area’s 31,471 housing units are single-family detached houses (58.8 percent in the City of Grand Rapids, 61.5 percent in the U.S.).
- 3.2 percent are single-family attached units (5.7 percent in the city and 5.8 percent nationally).
- 20.2 percent are units in two-unit buildings (10.7 percent in Grand Rapids and 3.7 percent nationally).
- 14.7 percent are located in buildings of three to 19 units (15.2 percent in the City of Grand Rapids and 13.7 percent nationally).
- 11.4 percent are in buildings of 20 or more units (9.2 percent in the city and 8.6 percent nationally).



- Just one-half of one percent of Study Area units are mobile homes, trailers, boats, RVs, or vans (0.4 percent in Grand Rapids and 6.7 percent nationally).

In 2015, just under 15 percent of all Study Area housing units are estimated to be vacant (10.1 percent in the city). Of the 26,813 occupied units, 58.4 percent are rented and 41.6 percent are owner-occupied, compared to a 55.9 percent ownership rate in Grand Rapids and 65 percent nationally.

Nearly 60 percent of the Study Area's housing stock was built before 1940, compared to just under 35 percent in the City of Grand Rapids. Another 21 percent of all Study Area units were built between 1940 and 1960. Housing production posted growth rates of less than five percent of all units each decade during the 1960s through the 1990s; however, more than 5.6 percent of all dwelling units in the Study Area have been built since 2010. Median value of owner-occupied dwelling units in the Study Area is estimated at \$88,897, approximately three-quarters of the city median of \$120,090.

Residents of the Target Market Study Area have significantly different rates of automobile ownership than the city or the nation.

- Over 18 percent of the Study Area's households do not own an automobile (compared to 13.6 percent in the city and just over nine percent nationally).
- Approximately 42.2 percent own only one vehicle (39.8 percent in the city and 33.9 percent nationally).
- 39.5 percent own two or more vehicles (compared to 46.6 percent in Grand Rapids and 57 percent nationally).

Nevertheless, the primary transportation to work for Study Area and city workers aged 16 and older is the automobile, although a larger than typical percentage of those living in Downtown walk to work because they live within short walking distance of their offices.

- 67.5 percent drive alone to work (76 percent in the city and 76.4 percent nationally).
- 14.2 percent car-pool (10.8 percent in the city and 9.7 percent nationally).

- 5.6 percent take public transportation (3.5 percent in Grand Rapids and five percent nationally)
- 5.8 percent walk to work (3.5 percent in the City of Grand Rapids and 2.8 percent nationally).
- The remaining 6.9 percent either work at home (4.8 percent) or have other means of getting to work (2.1 percent). (Nationally, 4.4 percent work at home, and nearly 1.8 percent have other means of getting to work.)

Just under 47 percent of the Study Area's residents over age 16 are employed in white-collar occupations, 27.2 percent blue-collar, and 26.1 percent service and farm occupations. Approximately 56.1 percent of the city's residents over age 16 are employed in white-collar occupations, 22.5 percent blue-collar, and 21.4 percent service and farm occupations. White-collar jobs make up 59.6 percent of county employment. County-wide, 22.6 percent of the occupations are blue-collar, and 17.5 percent are service and farm occupations. Nationally, white-collar jobs make up more than 60.6 percent of all employment, blue-collar 20.4 percent, and service and farm occupations 19 percent.

Over 68.5 percent of the City of Grand Rapids' residents over age 16 are employed by private, for-profit businesses, 14.9 percent work for non-profit private corporations, and 8.5 percent are government employees, city, county, or federal. Eight percent are self-employed, and one-tenth of one percent are unpaid family workers. (*See Table 2.*)

By occupation, office and administrative support jobs account for the largest percentage of civilian employees, at 13.3 percent, followed by production at 10.2 percent, and sales and related jobs at 9.7 percent. Nationally, office and administrative support represents 13.6 percent of civilian employment; production six percent; and sales and related occupations are 11 percent of national civilian employment.

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Table 2

Employment Information  
*City of Grand Rapids, Kent County, Michigan*  
**2015 Estimates**

<b>Population 16+</b>	<b>150,593</b>	
<b>By Employment Status</b>	<b>150,593</b>	<b>100.0%</b>
In Armed Forces	86	0.1%
Employed Civilians	87,603	58.2%
Unemployed Civilians	12,464	8.3%
Not in Labor Force	50,440	33.5%
 <b>Employed Civilian By Worker Class</b>	 <b>87,501</b>	 <b>100.0%</b>
For-Profit Private	59,967	68.5%
Non-Profit Private	13,066	14.9%
Local Government	4,078	4.7%
State Government	2,539	2.9%
Federal Government	791	0.9%
Self-Employed	6,957	8.0%
Unpaid Family	103	0.1%
 <b>Employed Civilian By Occupation</b>	 <b>87,501</b>	 <b>100.0%</b>
Architect/Engineer	1,192	1.4%
Arts/Entertainment/Sports	2,779	3.2%
Building Grounds Maintenance	4,044	4.6%
Business/Financial	3,750	4.3%
Community/Social Services	2,445	2.8%
Computer/Mathematical	1,907	2.2%
Construction/Extraction	2,573	2.9%
Education/Training/Library	5,076	5.8%
Farming/Fishing/Forestry	757	0.9%
Food Preparation/Serviing	6,706	7.7%
Health Practitioner/Technician	4,074	4.7%
Healthcare Support	2,801	3.2%
Maintenance Repair	2,177	2.5%
Legal	890	1.0%
Life/Physical/Social Sciences	642	0.7%
Management	6,152	7.0%
Office/Administrative Support	11,648	13.3%
Production	8,953	10.2%
Protective Services	1,127	1.3%
Sales/Related	8,491	9.7%
Personal Care/Services	3,341	3.8%
Transportation/Moving	5,976	6.8%

SOURCES: U.S. Bureau of Census; The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

## DEMOGRAPHICS OF THE TARGET MARKET STUDY AREA NEIGHBORHOODS

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As noted in the introduction, the Study Area encompasses multiple business corridors in six general neighborhoods—the Northeast, Westside, Downtown, Uptown, Southwest and Southeast. Southeast (Census Tracts 28, 30-32, 36-38 and 40) is the largest in terms of population, with 25,725 people in 2015, and the Northeast (Census Tract 9) is the smallest, with 3,025 residents. (See Table 3.)

Downtown (Census Tracts 14, 20 and 21) contains the highest percentage of one- and two-person households, at nearly 87 percent, followed by Uptown (Census Tracts 24 and 25) at over 72 percent. Southwest (Census Tracts 26 and 39) contains the lowest percentage of one- and two-person households at 29.6 percent.

Nearly 90 percent of the households living in Downtown do not have children, the lowest percentage of the neighborhoods, followed by Uptown at almost 82 percent. In contrast, 63.3 percent of the households in the Northeast have children, followed by 61.6 percent in Southwest.

Median household income ranges from approximately \$22,700 in Downtown to \$40,234 in the Northeast. However, ownership housing values are highest in Downtown, where the median home value is \$170,833. The lowest median home value is \$69,297 in Southwest, less than half that of Downtown.

The neighborhoods also vary significantly in terms of ethnicity. The highest percentage of white households, at 82.6 percent, is found in Uptown, and the lowest percentage, 25.8 percent, is in the Southeast. The highest percentage of African American households, at almost 43 percent, is in the Southeast, and the lowest percentage, 9.5 percent, is in Uptown. Approximately 71 percent of the households living in the Southwest are Hispanic/Latino, compared to just 7.3 percent in Uptown.

The composition of the housing stock is equally varied from neighborhood to neighborhood. As would be expected, the Downtown contains the lowest percentage of single-family detached

units, at 11.1 percent, and the highest percentage of multi-family buildings with three or more units, at over 77 percent. In contrast, Southeast has the highest percentage of single-family detached houses, at 69.4 percent. Southwest has the lowest percentage of multi-family buildings with three or more units, at 10.1 percent, followed by Southeast at 10.2 percent. Southeast also has the highest vacancy rate, at 17.6 percent.

Renters comprise a majority of the householders in every neighborhood except the Northeast, where 41.9 percent of the households are renters. In comparison, nearly 83 percent of Downtown households are renters. After the Northeast at over 58 percent, the highest ownership rate is 48.8 percent in Southeast, followed by 47.4 percent in Southwest.

The percentage of households that do not own automobiles ranges from the low of 10.9 percent in the Northeast to the high of 29.7 percent in Downtown. As might be expected a considerably higher-than-average percentage, 17.3 percent, of Downtown resident households walk to work, followed by Uptown at 8.1 percent. Almost 26 percent of Southwest households car-pool, the highest rate of the neighborhoods; just 6.4 percent of Downtown residents car-pool, the lowest rate of the neighborhoods.

At 65.5 percent, Uptown has the largest share of residents who are white-collar employees, followed by Downtown at 63.7 percent. Southwest has the lowest share, at 26.6 percent. Southwest has the highest percentage of blue-collar employment (47.5 percent), whereas just 13.2 percent of Uptown residents hold blue-collar jobs. Southeast has the highest percentage of service/farm occupations, at 29.9 percent, with the lowest percentage, 21.2 percent, in Downtown.

SOURCES: U.S. Bureau of the Census; The Nielson Company;  
Zimmerman/Volk Associates, Inc.

Table 3

Key Demographic Data: Study Area Neighborhoods  
2015 Estimates

	<u>Northeast</u>	<u>West Side</u>	<u>Downtown</u>	<u>Uptown</u>	<u>Southwest</u>	<u>Southeast</u>
Population	3,025	22,297	8,049	7,790	6,899	25,725
Households	1,160	8,090	4,569	3,230	1,748	8,016
Housing Units	1,349	9,554	5,132	3,662	2,050	9,724
1&2 pp HHs†	56.8%	56.0%	86.8%	72.2%	29.6%	44.6%
3 pp HHs	19.3%	15.9%	7.0%	11.9%	16.0%	17.6%
4+ pp HHs	23.9%	28.1%	6.2%	15.9%	54.4%	37.8%
Married couples w/ children	17.3%	17.7%	3.3%	10.0%	29.0%	18.3%
Single persons w/ children	46.0%	19.0%	7.3%	8.2%	32.6%	31.0%
HHs without children	36.7%	63.3%	89.4%	81.8%	38.4%	50.7%
Median HH income	\$40,234	\$33,082	\$22,732	\$39,013	\$25,078	\$30,203
HHs below \$25,000	31.6%	39.3%	52.8%	33.5%	49.9%	41.7%
White	73.9%	65.7%	75.6%	82.6%	41.7%	25.8%
African American	13.2%	11.8%	13.9%	9.5%	14.2%	42.7%
Asian	0.7%	0.7%	2.0%	1.2%	0.4%	0.5%
Other	12.2%	21.8%	8.5%	6.7%	43.7%	31.0%
Hispanic/ Latino	10.8%	27.2%	8.4%	7.3%	71.0%	38.9%
Single-family attached units	3.6%	1.9%	4.2%	4.1%	6.0%	3.0%
Single-family detached units	66.1%	50.2%	11.1%	40.8%	61.0%	69.4%
Units in 2-unit bldgs.	19.9%	29.0%	7.6%	22.5%	21.1%	17.2%
Units in 3- to 19-unit bldgs.	8.7%	10.3%	36.9%	19.9%	7.4%	7.8%
Units in 20+-unit bldgs.	0.7%	8.2%	40.2%	12.3%	2.7%	2.4%
Mobile home or trailer	1.0%	0.4%	0.0%	0.4%	1.8%	0.2%
Vacant units	14.0%	15.3%	11.0%	11.8%	14.7%	17.6%
Renter-occupied units	41.9%	54.1%	82.9%	61.4%	52.6%	51.2%
Owner-occupied units	58.1%	45.9%	17.1%	38.6%	47.4%	48.8%
Units new since 2010	3.9%	5.5%	7.1%	3.0%	2.9%	6.8%
Median housing value	\$90,219	\$89,094	\$170,833	\$153,993	\$69,297	\$77,104
No vehicle ownership	10.9%	17.9%	29.7%	12.5%	22.9%	14.7%
Own 1 vehicle	44.5%	41.6%	44.8%	43.3%	34.9%	42.3%
Own 2 or more vehicles	44.6%	40.5%	25.5%	44.2%	42.2%	43.0%
Drive alone	78.1%	69.5%	61.3%	65.6%	60.1%	69.5%
Car-pool	12.7%	15.4%	6.4%	8.7%	25.7%	16.7%
Public transportation to work	1.6%	4.8%	6.6%	4.8%	7.5%	6.5%
Walk to work	2.0%	3.8%	17.3%	8.1%	4.3%	2.2%
Other	5.6%	6.5%	8.4%	12.8%	2.4%	5.1%
White-collar employment	48.6%	45.6%	63.7%	65.5%	26.6%	35.3%
Blue-collar employment	26.8%	27.0%	15.1%	13.2%	47.5%	34.8%
Service/ farm employment	24.6%	27.4%	21.2%	21.3%	25.9%	29.9%

† Household

SOURCES: U.S. Bureau of Census; The Nielsen Company;  
Zimmerman/Volk Associates, Inc.

## ANNUAL MARKET POTENTIAL FOR THE CITY OF GRAND RAPIDS

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Analysis of migration, mobility, socio-economic and lifestyle characteristics of households currently living within defined draw areas is integral to the determination of the depth and breadth of the potential market for new and existing housing units within the City of Grand Rapids.

Historically, American households, more than any other nation's, have been extraordinarily mobile. In general, household mobility is higher in urban areas; a greater percentage of renters move than owners; and a greater percentage of younger households move than older households. Nationally, one result of the Great Recession has been a considerable reduction in household mobility. However, like most cities, the City of Grand Rapids, where an average 23 percent of the population moved every year in recent years, has a considerably higher mobility rate than the national average.

The draw areas are derived primarily through migration analysis (using the latest data provided by the Internal Revenue Service, and supplemented by the American Community Survey), but also incorporate information obtained from real estate brokers, sales and leasing agents and other knowledgeable sources, as well as from field investigation.

### *Where do the potential renters and buyers of new and existing housing units in the City of Grand Rapids currently live?*

The most recent Kent County migration and mobility data—as derived from taxpayer records compiled by the Internal Revenue Service from 2006 through 2010 and from the 2013 American Community Survey five-year estimates for the county and the City of Grand Rapids—shows that the draw areas for new and existing housing units in the city include the following:

- The primary draw area, covering households currently living within the city.
- The local draw area, covering households currently living in the balance of Kent County.
- The regional draw area, covering households that are likely to move from Ottawa, Allegan, and Montcalm Counties.

- The national draw area, covering households with the potential to move to the City of Grand Rapids from all other U.S. counties (primarily other Michigan counties).

NOTE: Details of draw area delineation, target market analysis and determination of market potential can be found in the METHODOLOGY section included with detailed tabular data in a separate document.

As derived from the migration and mobility analyses, then, the draw area distribution of market potential (those households with the potential to move within or to the City of Grand Rapids each year over the next five years) is shown on the following table (*reference* Appendix One, Table 8):

**Annual Market Potential by Draw Area**  
*City of Grand Rapids, Kent County, Michigan*

City of Grand Rapids (Primary Draw Area):	53.3%
Balance of Kent County (Local Draw Area):	27.1%
Ottawa, Allegan and Montcalm Counties (Regional Draw Area):	5.5%
Balance of US (National Draw Area):	<u>14.1%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.



*How many households have the potential to move within  
and to the city each year?*

As determined by the target market methodology, which accounts for household mobility within the City of Grand Rapids, as well as migration and mobility patterns for households currently living in all other counties, an annual average of 22,875 households represent the potential market for new and existing housing units within the city each year over the next five years. (See Table 4). Almost 47 percent of the target households will be moving to the city from outside the Grand Rapids city limits.

*What are their housing preferences in aggregate?*

The general housing types covered in this analysis include the following:

- Multi-family for-rent (along with multi-family for-sale, the highest-density housing type; multiple rental apartments located within buildings that typically include two or more stories);
- Multi-family for-sale (along with multi-family for-rent, the highest-density housing type; multiple for-sale apartments located within buildings that typically include two or more stories);
- Single-family attached (a medium-density housing type; two- to three-story townhouses; duplexes or two-family houses; live-work units); and
- Single-family detached houses (ranging from the highest-density single-family housing type, typically developed on small lots, with garage access from rear lanes, alleys or auto-courts at the rear of the units, to the lowest-density single-family housing type, with garage access from the street).

The housing preferences of the 22,875 draw area households that represent the annual potential market for new and existing housing units within the city over the next five years—according to tenure (rental or for-sale) and general financial capacity—are summarized on the table following this page (*see Table 4 for greater detail*):

**Tenure/Housing Type Propensities  
 Annual Average Market Potential  
 For New and Existing Housing Units  
*City of Grand Rapids, Kent County, Michigan***

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	11,505	50.3%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	2,155	9.4%
Single-family attached for-sale (townhouses/live-work, fee-simple/ condominium ownership)	2,910	12.7%
Single-family detached for-sale (houses, fee-simple ownership)	<u>6,305</u>	<u>27.6%</u>
Total	22,875	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

Approximately 50.3 percent of these 22,875 households comprise the market for rental dwelling units—some are renters by choice; many, however, would prefer to own but cannot afford the type of housing they want in neighborhoods where they would consider living. Younger people in particular are challenged by the burden of significant education debt as well as lack of an adequate down payment.

The remaining 49.7 percent of the market would choose some form of ownership housing (over six percentage points below the current estimated homeownership rate in the city of approximately 55.9 percent). Just under 55 percent of the annual potential ownership market would prefer single-family detached units—currently, an estimated 58.8 percent of Grand Rapids' housing stock is comprised of single-family detached houses. The remaining 45 percent of the ownership market would choose for-sale single-family attached (duplexes/townhouses/live-work units) or multi-family units (condominium/co-operative units).

These numbers represent the market potential for new and existing housing units within the City of Grand Rapids, and should not be confused with projections of housing need or change in the number of households.

Table 4

**Annual Market Potential For New And Existing Housing Units**  
 Distribution Of Annual Average Number Of Draw Area Households With The Potential  
 To Move Within/To The City Of Grand Rapids Each Year Over The Next Five Years  
 Based On Housing Preferences And Income Levels  
*City of Grand Rapids, Kent County, Michigan*

*City of Grand Rapids; Balance of Kent County;  
 Ottawa, Allegan, and Montcalm Counties, Michigan; Balance of U.S.  
 Draw Areas*

Annual Number Of Households  
 With The Potential To Rent/Purchase Within  
 The City of Grand Rapids      22,875

**Annual Market Potential**

	<i>Below 30% AMI</i>	<i>30% to 50% AMI</i>	<i>50% to 80% AMI</i>	<i>80% to 100% AMI</i>	<i>Above 100% AMI</i>	<i>Subtotal</i>
<i>Multi-Family For-Rent:</i>	2,685	1,410	2,060	1,820	3,530	<b>11,505</b>
<i>Multi-Family For-Sale:</i>	315	235	330	340	935	<b>2,155</b>
<i>Single-Family Attached For-Sale:</i>	470	290	520	425	1,205	<b>2,910</b>
<i>Single-Family Detached For-Sale:</i>	940	595	985	810	2,975	<b>6,305</b>
<i>Total:</i>	<b>4,410</b>	<b>2,530</b>	<b>3,895</b>	<b>3,395</b>	<b>8,645</b>	<b>22,875</b>
<i>Percent:</i>	<b>19.3%</b>	<b>11.1%</b>	<b>17.0%</b>	<b>14.8%</b>	<b>37.8%</b>	<b>100.0%</b>

Note: For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$62,800.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

*What is their range of affordability by housing type?*

The 22,875 households that represent the annual potential market for new and existing housing units in the city have also been segmented by income, based on the Grand Rapids-Wyoming FMR median family income (AMI), which, for fiscal year 2014 is \$62,800 for a family of four; this study examines affordability based on the following general income groupings:

- Households with incomes below 30 percent AMI (the majority of these households typically qualify only for public housing or older existing units);
- Households with incomes between 30 and 50 percent of AMI (these households typically qualify for existing affordable rental housing or heavily subsidized ownership housing);
- Households with incomes between 50 and 80 percent of AMI (these households typically qualify for new workforce or affordable rental housing or subsidized ownership housing);
- Households with incomes between 80 and 100 percent AMI (these households typically qualify for existing market-rate rentals or new workforce or affordable for-sale housing); and
- Households with incomes above 100 percent AMI (these households generally have sufficient incomes to rent or purchase market-rate housing).

The combined tenure and housing type preferences and financial capabilities of the 22,875 target households are shown on the table on the following page (*see again* Table 4):

**Tenure/Housing Type Propensities by Income**  
**Annual Average Market Potential**  
**For New and Existing Housing Units**  
*City of Grand Rapids, Kent County, Michigan*

HOUSING TYPE	.....HOUSEHOLDS.....	
	NUMBER	PERCENT
<b>Multi-family for-rent</b>	<u>11,505</u>	<u>50.3%</u>
(lofts/apartments, leaseholder)		
< 30% AMI	2,685	11.7%
30% to 50% AMI	1,410	6.2%
50% to 80% AMI	2,060	9.0%
80% to 100% AMI	1,820	8.0%
> 100% AMI	3,530	15.4%
<b>Multi-family for-sale</b>	<u>2,155</u>	<u>9.4%</u>
(lofts/apartments, condo/co-op ownership)		
< 30% AMI	315	2.4%
30% to 50% AMI	235	1.0%
50% to 80% AMI	330	1.4%
80% to 100% AMI	340	1.5%
> 100% AMI	935	4.1%
<b>Single-family attached for-sale</b>	<u>2,910</u>	<u>12.7%</u>
(townhouses, fee-simple ownership)		
< 30% AMI	470	2.0%
30% to 50% AMI	290	1.3%
50% to 80% AMI	520	2.3%
80% to 100% AMI	425	1.9%
> 100% AMI	1,205	5.2%
<b>Single-family detached for-sale</b>	<u>6,305</u>	<u>27.6%</u>
(houses, fee-simple ownership)		
< 30% AMI	940	4.1%
30% to 50% AMI	595	2.6%
50% to 80% AMI	985	4.4%
80% to 100% AMI	810	3.5%
> 100% AMI	2,975	13.0%
Total	22,875	

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

Summarizing the incomes and financial capabilities of the 22,875 target households that represent the annual potential market for new and existing units in the city, 19.3 percent (4,410 households) have incomes at 30 percent or less than the AMI; 11.1 percent (2,530 households) have incomes between 30 and 50 percent AMI; 17 percent (3,895 households) have incomes between 50 and 80 percent AMI; 14.8 percent (3,395 households) have incomes between 80 and 100 percent AMI; and 37.8 percent (8,645 households) have incomes above 100 percent AMI.

## ANNUAL MARKET POTENTIAL FOR THE TARGET MARKET STUDY AREA

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### *Where does the potential market for new and existing housing units in the Target Market Study Area currently live?*

The target market methodology also identifies those households with a preference for Downtown and in-town neighborhoods (the Target Market Study Area). After discounting for those segments of the city's potential market that have preferences for suburban and/or rural locations, the distribution of annual draw area market potential for new and existing units within the Target Market Study Area would be as follows (*reference* Appendix One, Table 9):

#### **Annual Market Potential by Draw Area The Target Market Study Area *City of Grand Rapids, Kent County, Michigan***

City of Grand Rapids (Primary Draw Area):	48.0%
Balance of Kent County (Local Draw Area):	24.1%
Ottawa, Allegan and Montcalm Counties (Regional Draw Area):	4.4%
Balance of US (National Draw Area):	<u>23.5%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

More than half of the target households will be moving to the Target Market Study Area from outside the Grand Rapids city limits.

### *How many households have the potential to move within and to the Study Area each year?*

As determined by the migration and mobility analyses, up to 8,500 households represent the annual potential market for new and existing housing units in the Study Area each year over the next five years. These households represent approximately 37 percent of the city's annual market potential of 22,875 households (*see* Table 5), a share of the market that is consistent with Zimmerman/Volk Associates' experience in other cities

Table 5

**Annual Market Potential For New And Existing Housing Units**  
 Distribution Of Annual Average Number Of Draw Area Households With The Potential  
 To Move Within/To The Target Market Study Area\* Each Year Over The Next Five Years  
 Based On Housing Preferences And Income Levels  
***The Target Market Study Area\****  
*City of Grand Rapids, Kent County, Michigan*

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*City of Grand Rapids; Balance of Kent County;  
 Ottawa, Allegan, and Montcalm Counties, Michigan; Balance of U.S.  
 Draw Areas*

Annual Number Of Households  
 With The Potential To Rent/Purchase Within  
 The City of Grand Rapids 22,875

Annual Number Of Target Market Households  
 With Potential To Rent/Purchase Within  
 The Target Market Study Area\* 8,500

**Annual Market Potential**

	<i>Below 30% AMI</i>	<i>30% to 50% AMI</i>	<i>50% to 80% AMI</i>	<i>80% to 100% AMI</i>	<i>Above 100% AMI</i>	<i>Subtotal</i>
<i>Multi-Family For-Rent:</i>	585	550	570	795	1,855	<b>4,355</b>
<i>Multi-Family For-Sale:</i>	60	95	145	185	640	<b>1,125</b>
<i>Single-Family Attached For-Sale:</i>	75	135	210	190	710	<b>1,320</b>
<i>Single-Family Detached For-Sale:</i>	150	140	180	205	1,025	<b>1,700</b>
<i>Total:</i>	<b>870</b>	<b>920</b>	<b>1,105</b>	<b>1,375</b>	<b>4,230</b>	<b>8,500</b>
<i>Percent:</i>	<b>10.2%</b>	<b>10.8%</b>	<b>13.0%</b>	<b>16.2%</b>	<b>49.8%</b>	<b>100.0%</b>

Note: For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$62,800.

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

*What are their housing preferences in aggregate,  
 and what is their range of affordability?*

The tenure and housing preferences of those 8,500 draw area households are summarized on the following table:

**Tenure/Housing Type Propensities  
 Annual Average Market Potential  
 For New and Existing Housing Units  
 The Target Market Study Area  
*City of Grand Rapids, Kent County, Michigan***

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	4,355	51.3%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	1,125	13.2%
Single-family attached for-sale (townhouses/live-work, fee-simple/ condominium ownership)	1,320	15.5%
Single-family detached for-sale (houses, fee-simple ownership)	<u>1,700</u>	<u>20.0%</u>
Total	8,500	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

The market-driven tenure ratio of approximately 51 percent rental/49 percent ownership is weighted considerably more towards ownership units than the current tenure ratio in the Study Area of approximately 41.6 percent ownership; nevertheless it would still be well below the national 65 percent ownership rate.

The 8,500 households that represent the annual potential market for new and existing housing units in the Study Area have also been segmented by income, based on the Grand Rapids-Wyoming FMR median family income (AMI), which, for fiscal year 2014 is \$62,800 for a family of four; this study examines affordability based on the same general income groupings as described for the city.



The combined tenure and housing type preferences and financial capabilities of the 8,500 target households are shown on the following table (*see again* Table 5):

**Tenure/Housing Type Propensities by Income**  
**Annual Average Market Potential**  
**For New and Existing Housing Units**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

HOUSING TYPE	..... HOUSEHOLDS .....	
	NUMBER	PERCENT
<b>Multi-family for-rent</b>	<u>4,355</u>	<u>51.3%</u>
(lofts/apartments, leaseholder)		
< 30% AMI	585	6.9%
30% to 50% AMI	550	6.5%
50% to 80% AMI	570	6.7%
80% to 100% AMI	795	9.4%
> 100% AMI	1,855	21.8%
<b>Multi-family for-sale</b>	<u>1,125</u>	<u>13.2%</u>
(lofts/apartments, condo/co-op ownership)		
< 30% AMI	60	0.7%
30% to 50% AMI	95	1.1%
50% to 80% AMI	145	1.7%
80% to 100% AMI	185	2.2%
> 100% AMI	640	7.5%
<b>Single-family attached for-sale</b>	<u>1,320</u>	<u>15.5%</u>
(townhouses, fee-simple ownership)		
< 30% AMI	75	0.9%
30% to 50% AMI	135	1.6%
50% to 80% AMI	210	2.5%
80% to 100% AMI	190	2.2%
> 100% AMI	710	8.3%
<b>Single-family detached for-sale</b>	<u>1,700</u>	<u>20.0%</u>
(houses, fee-simple ownership)		
< 30% AMI	150	1.8%
30% to 50% AMI	140	1.6%
50% to 80% AMI	180	2.1%
80% to 100% AMI	205	2.4%
> 100% AMI	1,025	12.1%
<b>Total</b>	<b>8,500</b>	

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

Summarizing the incomes and financial capabilities of the 8,500 target households that represent the annual potential market for new and existing units in the Study Area, 10.2 percent (870 households) have incomes at 30 percent or less than the AMI; 10.8 percent (920 households) have

incomes between 30 and 50 percent AMI; 13 percent (1,105 households) have incomes between 50 and 80 percent AMI; 16.2 percent (1,375 households) have incomes between 80 and 100 percent AMI; and 49.8 percent (4,230 households) have incomes above 100 percent AMI.

This analysis covers a broad range of appropriate urban housing types. In the core Downtown, these housing types include multi-family rental and for-sale units, and a small number of single-family attached units. The adjacent predominantly single-family neighborhoods could support smaller-scale multi-family buildings on larger vacant lots as well as infill single-family attached and urban detached housing types.

Because of the significant subsidies required to enable households with incomes below 30 percent AMI to rent or own newly-constructed housing, those households have not been included in the more detailed analysis of the potential market which follows. Limited to households with incomes above 30 percent AMI, then, an annual average of 7,630 households currently living in the defined draw areas represents the pool of potential renters/buyers of new housing units (new construction and/or adaptive re-use of non-residential structures) within the Target Market Study Area each year over the next five years.

As derived from the tenure and housing preferences, qualified by income, of those 7,630 draw area households, the distribution of rental and for-sale multi-family and for-sale single-family attached and detached housing types is detailed on the following table:

**Tenure/Housing Type Propensities by Income**  
**Incomes At or Above 30 Percent AMI**  
**Annual Average Market Potential**  
**For New and Existing Housing Units**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

HOUSING TYPE	HOUSEHOLDS	
	NUMBER	PERCENT
<b>Multi-family for-rent</b>	<u>3,770</u>	<u>49.4%</u>
(lofts/apartments, leaseholder)		
30% to 80% AMI	1,120	14.7%
> 80% AMI	2,650	34.7%

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 The Target Market Study Area  
 Neighborhood Business Corridors  
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HOUSING TYPE	..... HOUSEHOLDS .....	
	NUMBER	PERCENT
<b>Multi-family for-sale</b>	<u>1,065</u>	<u>14.0%</u>
(lofts/apartments, condo/co-op ownership)		
30% to 80% AMI	240	3.1%
> 80% AMI	825	10.9%
<b>Single-family attached for-sale</b>	<u>1,245</u>	<u>16.3%</u>
(townhouses, fee-simple ownership)		
30% to 80% AMI	345	4.5%
> 80% AMI	900	11.8%
<b>Single-family detached for-sale</b>	<u>1,550</u>	<u>20.3%</u>
(houses, fee-simple ownership)		
30% to 80% AMI	320	4.2%
> 80% AMI	1,230	16.1%
Total	7,630	

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

Approximately 26.5 percent (2,025 households) of the target households have incomes between 30 and 80 percent AMI, and 73.5 percent (5,605 households) have incomes above 80 percent AMI. The rents and price points for new and existing market-rate housing units that could be developed in the Study Area have been derived from the income and financial capabilities of those target households that have incomes above 80 percent of the AMI.

## TARGET MARKETS

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*Who are the households that represent the potential market  
for new and existing units in the City of Grand Rapids each year?*

The protracted ownership housing slump since 2008 has led to a measurable shift in market preferences from home ownership to rental dwelling units, particularly among younger households, yielding a higher share of consumer preference for multi-family rentals even among relatively affluent consumers than would have been typical less than a decade ago. At the same time, there has been a significant shift in preferences from suburban subdivisions toward mixed-use, walkable urban neighborhoods.

From the demographic perspective, this shift has been driven by the convergence of the preferences of the two largest generations in the history of America: the Baby Boomers (currently estimated at 77 million), born between 1946 and 1964, and the estimated 78 million Millennials, who were born from 1977 to 1996 and who, in 2010, surpassed the Boomers in population.

In addition to their shared preference for walkable urban living, the Boomers and Millennials are changing housing markets in multiple ways. In contrast to the traditional family (married couples with children) that comprised the typical post-war American household, Boomers and Millennials are households of predominantly singles and couples. As a result, the 21<sup>st</sup> Century home-buying market now contains more than 63 percent one- and two-person households, and the 37 percent of the homebuyers that could be categorized as family households are equally likely to be non-traditional (*e.g.*—single parents or unrelated couples of the same sex with one or more children, adults caring for younger siblings, to grandparents with custody of grandchildren) as traditional families. A major consequence of this evolution is that mixed-use, mixed-income development is now acceptable to, or even preferred by, a significant percentage of households.

As determined by the target market analysis, the general market segments, by lifestage and household type, that represent the potential market for new and existing housing units in Grand Rapids include (*see* Table 6):

- Traditional and non-traditional family households, of which a significant number are single parents with one or two children, as well as traditional family household heads who are government employees, including small business owners and private-sector employees, or affiliated with one of the educational institutions or hospitals located in the city (48.6 percent);
- Younger singles and childless couples—including young professionals, office, government and retail workers, knowledge workers, as well as students and other young college, university and hospital-related employees (37.5 percent); and
- Empty nesters and retirees, some with incomes from social security alone, others who also have pensions, savings and investments, and the remainder who are still working (13.9 percent).

Table 6

**Annual Market Potential By Lifestage And Household Type**  
 Derived From Purchase And Rental Propensities Of Draw Area Households With The Potential  
 To Move Within/To The City Of Grand Rapids Each Year Over The Next Five Years  
 Based On Housing Preferences And Income Levels  
*City of Grand Rapids, Kent County, Michigan*

	<u>Total</u>	<u><i>Below 30% AMI</i></u>	<u><i>30% to 50% AMI</i></u>	<u><i>50% to 80% AMI</i></u>	<u><i>80% to 100% AMI</i></u>	<u><i>Above 100% AMI</i></u>
Number of Households:	<b>22,875</b>	<b>4,410</b>	<b>2,530</b>	<b>3,895</b>	<b>3,395</b>	<b>8,645</b>
<b>Empty Nesters &amp; Retirees</b>	13.9%	8.6%	14.4%	13.1%	14.2%	16.8%
<b>Traditional &amp; Non-Traditional Families</b>	48.6%	65.5%	47.8%	54.8%	45.9%	38.4%
<b>Younger Singles &amp; Couples</b>	37.5%	25.9%	37.8%	32.1%	39.9%	44.8%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$62,800.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

A significant number of the target household groups classified by The Nielsen Company represent the market for new and existing housing units in the city. The following table details the estimated median incomes and estimated median home values of Grand Rapids households in each of these household groups in 2015.

**Primary Target Groups**  
**(In Order of Median Income)**  
*City of Grand Rapids, Kent County, Michigan*

HOUSEHOLD TYPE	MEDIAN INCOME	MEDIAN HOME VALUE (IF OWNED)
Empty Nesters & Retirees		
<i>Old Money</i>	\$157,300	\$374,600
<i>Urban Establishment</i>	\$125,700	\$368,300
<i>Small-Town Establishment</i>	\$115,400	\$239,600
<i>Cosmopolitan Elite</i>	\$111,700	\$213,600
<i>Suburban Establishment</i>	\$101,900	\$199,600
<i>New Empty Nesters</i>	\$101,300	\$166,200
<i>Affluent Empty Nesters</i>	\$100,500	\$212,200
<i>Cosmopolitan Couples</i>	\$82,100	\$206,000
<i>RV Retirees</i>	\$78,200	\$143,100
<i>Blue-Collar Empty Nesters</i>	\$77,000	\$117,900
<i>Middle-Class Move-Downs</i>	\$74,000	\$133,600
<i>Mainstream Retirees</i>	\$73,400	\$155,900
<i>No-Nest Suburbanites</i>	\$71,500	\$124,700
<i>Middle-American Retirees</i>	\$70,000	\$118,400
<i>Multi-Ethnic Retirees</i>	\$59,800	\$168,000
<i>Blue-Collar Retirees</i>	\$56,200	\$99,400
<i>Suburban Retirees</i>	\$49,300	\$89,000
<i>Downtown Retirees</i>	\$40,700	\$122,600
<i>Hometown Retirees</i>	\$40,200	\$91,700
<i>Suburban Seniors</i>	\$40,000	\$83,300
<i>Multi-Ethnic Seniors</i>	\$39,100	\$74,400
<i>Second City Seniors</i>	\$38,000	\$69,600
Traditional & Non-Traditional Families		
<i>Unibox Transferees</i>	\$120,400	\$197,100
<i>Late-Nest Suburbanites</i>	\$104,800	\$197,300
<i>Full-Nest Suburbanites</i>	\$101,400	\$161,300
<i>Full-Nest Urbanites</i>	\$80,900	\$194,000
<i>Multi-Ethnic Families</i>	\$74,700	\$123,200
<i>Blue-Collar Button-Downs</i>	\$71,800	\$119,700
<i>Multi-Cultural Families</i>	\$51,600	\$166,900
<i>Working-Class Families</i>	\$49,200	\$83,600
<i>In-Town Families</i>	\$45,800	\$85,200
<i>Inner-City Families</i>	\$40,500	\$120,700
<i>Single-Parent Families</i>	\$39,000	\$108,200

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HOUSEHOLD TYPE	MEDIAN INCOME	MEDIAN HOME VALUE (IF OWNED)
Younger Singles & Couples		
<i>The Entrepreneurs</i>	\$145,400	\$295,300
<i>e-Types</i>	\$127,300	\$354,600
<i>The VIPs</i>	\$105,600	\$203,100
<i>Fast-Track Professionals</i>	\$105,400	\$224,200
<i>Upscale Suburban Couples</i>	\$95,900	\$172,200
<i>New Bohemians</i>	\$79,700	\$299,400
<i>Twentysomethings</i>	\$73,400	\$143,900
<i>Suburban Achievers</i>	\$69,500	\$145,600
<i>Small-City Singles</i>	\$56,900	\$109,100
<i>Urban Achievers</i>	\$52,500	\$202,600
<i>Working-Class Singles</i>	\$45,400	\$99,400
<i>Blue-Collar Singles</i>	\$41,700	\$81,800
<i>Soul-City Singles</i>	\$35,100	\$108,600

NOTE: The market for newly-constructed market-rate housing units, especially buyers, would be expected to come from households with incomes above the median income for each target group. The median home values are derived from the self-reported medians of those groups living in the City of Grand Rapids and in Kent County (from the American Community Survey data), weighted by the self-reported medians of in-migrating households (also from American Community Survey data).

The names and descriptions of the market groups summarize each group's tendencies—as determined through geo-demographic cluster analysis—rather than their absolute composition. Hence, every group could contain anomalous households, such as empty-nester households within a “full-nest” category.

SOURCE: The Nielsen Company,  
 Zimmerman/Volk Associates, Inc., 2015.



*Who are the households that represent the potential market  
for new and existing units in the Target Market Study Area each year?*

As determined by the target market analysis, then, the annual potential market for new housing units within the Target Market Study Area can be characterized by general lifestage and household type as follows (*see* Table 7):

- Younger singles and childless couples: 65 percent;
- Empty nesters and retirees: 24 percent; and
- Traditional and non-traditional family households: 11 percent.

The largest general market segment, at 65 percent of the Study Area potential market, is composed of younger single- and two-person households. The target groups in this segment often choose to live in neighborhoods that contain a diverse mix of people, housing types, and uses. The revitalization of scores of urban neighborhoods in cities across the country has been pioneered by younger singles and couples, who, when appropriate housing options have been available, helped re-populate those neighborhoods. For the most part, these younger households tend to be risk-tolerant, rather than risk-averse. Due to a combination of economic issues and lifestyle preferences, a higher percentage of Millennials choose to be renters than was typical in predecessor generations. Over 61 percent of the target household groups in this market segment are renters.

Just under 11 percent of the younger singles and couples that comprise the target markets for the Study Area have incomes that fall below 30 percent of AMI. If they are employed, these households, for the most part *Urban Achievers*, work in part-time or lower-paying jobs, including entry-level retail, such as store clerks, and service occupations, such as waiters and waitresses; many are students.

Another 23.3 percent of the households in this market segment have incomes that fall within the 30-to-50 percent and 50-to-80 percent income bands. These include recent college graduates just beginning their white-collar careers, lower-level medical personnel, and general office

workers in the target groups of *Urban Achievers*, *Suburban Achievers*, *Soul City Singles* and *Working-Class Singles*.

The remaining 66 percent of the younger singles and couples have incomes that are above 80 percent of the AMI. These include the target groups of *e-Types*, *The Entrepreneurs*, *The VIPs* and *Upscale Suburban Couples*, who are engaged in a variety of free-lance entrepreneurship; mid- and upper-level office workers; academic and hospital affiliates, including students at Grand Valley State University and Kendall College of Art and Design, as well as employees of Spectrum Health and Mercy's Health St. Mary's Campus; and artists and artisans.

Approximately 54 percent of the younger singles and couples moving to the Study Area would be moving from elsewhere in the city; 25 percent would be moving from elsewhere in Kent County or from Allegan, Ottawa or Montcalm Counties, and the remaining 21.4 percent would be moving from elsewhere in the U.S.

The next largest general market segment, at 24 percent of the annual potential market, is comprised of older households (empty nesters and retirees). A significant number of these households have grown children who have recently moved out of the family home; another large percentage are retired, with income largely from social security, and, for a few, supplemented by pensions, savings and investments. More than 72 percent of the empty nesters and retirees are homeowners. *No-Nest Suburbanites* is the largest empty nester and retiree market group and most of these householders are currently living either in the city or the county.

In this general market segment, just under eight percent have incomes below 30 percent of AMI—older singles and couples struggling on limited incomes, mostly from social security—nearly all of whom are living in substandard housing. These households include *Multi-Ethnic Seniors* and *Second City Seniors*.

Another 23.8 percent of the older households have incomes between 30 and 80 percent of the area median. These households, including *No-Nest Suburbanites*, *Suburban Retirees*, *RV Retirees* and *Blue-Collar Empty Nesters*, will move to dwelling units that require less upkeep and

maintenance expense, but if given appropriate housing options, will choose to remain in their current neighborhoods.

Older households with incomes above 80 percent of AMI comprise almost 69 percent of the empty nester and retiree general market segment. These older singles and couples are enthusiastic participants in community life—*Urban Establishment*, the more affluent of the *No-Nest Suburbanites*, *Suburban Establishment* and *Small-Town Establishment*—and most are still actively involved in well-paying careers in the medical, legal, financial professions as well as academia—*Cosmopolitan Elite*, *Affluent Empty Nesters*, *New Empty Nesters*, *Cosmopolitan Couples* and *Middle-Class Move-Downs*.

Nearly 38 percent of the empty nesters and retirees would be moving from elsewhere within the City of Grand Rapids; another 42 percent would be moving from elsewhere in Kent County or the region; and the remaining 20.6 percent would be moving from elsewhere in the U.S.

Family-oriented households represent just 11 percent of the market for new housing units within the Study Area. An increasing percentage of family-oriented households are non-traditional families, notably single parents with one to three children. Non-traditional families, which, starting in the 1990s, have become an increasingly larger proportion of all U.S. households, encompass a wide range of family households, from a single mother or father with one or more children, an adult taking care of younger siblings, a grandparent responsible for grandchildren, to an unrelated couple of the same gender with children. In the 1950s, the “traditional family household” comprised more than 65 percent of all American households. That demographic has now fallen to less than 22 percent of all American households (approximately 14.8 percent in the Study Area and 16.4 percent in Grand Rapids). Households with children are now increasingly diverse and in some areas are largely non-traditional families. Over 43 percent of the family households that are the target markets for the Study Area are renters, not homeowners.

Just over 12 percent of the family households that comprise the annual potential market for the Target Market Study Area have incomes below 30 percent of AMI and are typically spending more than 40 percent of their incomes on housing costs. Many of these households are single-

parent families—*Inner-City Families*, *Single-Parent Families* and the less affluent of the *Multi-Cultural Families*—struggling to make ends meet.

Another 26.5 percent of the family-oriented households have incomes that fall within the 30-to-50 and 50-to-80 percent income bands, including the *Blue-Collar Button-Downs*, *Full-Nest Suburbanites* and *Multi-Ethnic Families* and the higher-income households within the *Multi-Cultural Families* market group.

The remaining 61 percent of the traditional and non-traditional families have incomes above 80 percent of AMI. These households are, in large part, dual-income households, with medical careers at one of the health-care institutions along the Medical Mile; academic positions at Grand Valley State University, Kendall College of Art and Design, and Michigan State University College of Human Medicine; and middle- to upper-middle management jobs and professionals in the financial and legal sectors. These households include *Full-Nest Urbanites*, *Unibox Transferees* and *Late-Nest Suburbanites* moving into the Study Area to be closer to employment.

Nearly 37 percent of these households are already living in the City of Grand Rapids, and almost 21 percent are currently living elsewhere in Kent County or the region. The remaining 42.2 percent would be moving to the Study Area from elsewhere in the U.S.

Table 7

**Annual Market Potential By Lifestage And Household Type**  
 Derived From Purchase And Rental Propensities Of Draw Area Households With The Potential  
 To Move Within/To The Target Market Study Area\* Each Year Over The Next Five Years  
 Based On Housing Preferences And Income Levels

***The Target Market Study Area\****

*City of Grand Rapids, Kent County, Michigan*

	<u>Total</u>	<u><i>Below 30% AMI</i></u>	<u><i>30% to 50% AMI</i></u>	<u><i>50% to 80% AMI</i></u>	<u><i>80% to 100% AMI</i></u>	<u><i>Above 100% AMI</i></u>
Number of Households:	<b>8,500</b>	<b>870</b>	<b>920</b>	<b>1,105</b>	<b>1,375</b>	<b>4,230</b>
<b>Empty Nesters &amp; Retirees</b>	24.0%	17.8%	18.5%	28.5%	22.2%	25.9%
<b>Traditional &amp; Non-Traditional Families</b>	11.0%	13.2%	13.0%	11.8%	13.1%	9.2%
<b>Younger Singles &amp; Couples</b>	65.0%	69.0%	68.5%	59.7%	64.7%	64.9%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$62,800.

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

## THE MARKET CONTEXT

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### *What are their current housing alternatives?*

#### —MULTI-FAMILY RENTAL PROPERTIES—

Updated information on relevant rental and for-sale, multi-family and single-family attached properties/units located in the Grand Rapids market area is provided as follows: for rental properties, see Table 8; for for-sale condominium and townhouse units, see Table 9; and for resale single-family detached houses, see Table 10.

Rents at most of the rental properties included in the Downtown housing survey in 2008 continue to rise. (*Reference* Table 8.) Of the 30 properties, containing more than 1,200 units and over 200 student beds, that are included in the current survey, 17 have income restrictions or are mixed-income, containing both market-rate and affordable units, and two are student housing properties. Excluding properties with income restrictions, rents for studios have risen from approximately \$500 per month in 2008 to \$725 per month in 2014, for units generally containing between 350 and 600 square feet (with a current general range of \$1.56 to \$3.09 per square foot, considerably higher than in 2008). Currently, the highest studio rent in the market is \$1,935 per month for a 475-square-foot unit at Plaza Towers, the 34-story apartment building on Fulton Street (\$4.07 per square foot).

Again excluding properties with income restrictions, rents for one-bedroom apartments start at approximately \$875 per month, with the highest one-bedroom rent at \$2,135 per month. The one-bedroom size range is now from approximately 400 to 1,000 square feet of living space (\$0.99 to \$3.05 per square foot, with most of the rents per square foot falling between \$1.50 and \$1.75).

Two-bedroom units now start at around \$1,150, up from \$650 per month in 2008. The most expensive two-bedroom apartment leases for \$2,563 per month for 1,161 square feet of living space (\$2.21 per square foot). In general, two-bedroom unit sizes range between 540 and approximately 1,500 square feet (generally \$1.19 to \$2.21 per square foot in 2014, up from \$0.80 to \$1.29 per square foot in 2008).

There are few three-bedroom apartments included in the survey that do not have income restrictions. Three-bedroom apartments rent for \$539 (income-restricted) and from \$2,100 to \$2,500 per month at The Gallery Apartments, the only market-rate property with three-bedroom units. Unit sizes range between 885 and 1,750 square feet; the three-bedrooms at The Gallery contain 1,292 square feet. On a per-square-foot basis, the market-rate rents fall between \$1.63 and \$1.93 per square foot, up from \$0.80 to \$0.86 per square foot in 2008).

One property is still in the initial leasing phase. Excluding that property, occupancy rates continue to be very high, ranging between 95 and 100 percent (functional full occupancy). Only 35 units were available at the time of the survey, for an overall occupancy rate of 98 percent.

**Summary Of Selected Rental Properties**  
*Greater Downtown Grand Rapids, Kent County, Michigan*  
**August, 2014**

<i>Property (Date Opened)</i> Address	<i>Number of Units</i>	<i>Unit Base Rent</i>	<i>Unit Size</i>	<i>Rent per Sq. Ft.</i>	<i>Additional Information</i>
<b>Lenox Apts (1911; 1998)</b> <b>(Adaptive Re-Use)</b> 349 South Division Avenue	<b>14</b> 1br/1ba 2br/1ba	\$374 to \$465 \$455 to \$572	600 820 to	\$0.62 to \$0.78 \$0.55 to \$0.70	<b>Two available.</b> <b>86% occupancy</b> <i>Income restrictions.</i> <i>Parking, water included.</i>
<b>101 South Division Lofts (2009)</b> 101 South Division Avenue	<b>20</b> 1br/1ba 2br/1ba 2br/2ba	\$404 to \$640 \$552	570 to 775 890 to 1,250	\$0.83 to \$0.71 \$0.62	<b>One available.</b> <b>95% occupancy</b> <i>Income restrictions.</i>
<b>Chaffee Apts (1998)</b> <b>(Adaptive Re-Use)</b> 138 South Division Avenue	<b>8</b> 1br/1ba	\$420 to \$535	600 to 650	\$0.70 to \$0.82	<b>One available.</b> <b>88% occupancy</b> <i>Income restrictions.</i>
<b>Goodrich Apts (1890; 2010)</b> <b>(Adaptive Re-Use)</b> 333-339 South Division Avenue	<b>14</b> 1br/1ba 2br/1ba	\$426 to \$565 \$640	500 to 840	\$0.76 to \$0.85	<b>Two available.</b> <b>86% occupancy</b> <i>Income restrictions.</i> <i>Parking, gas, heat &amp; water included.</i>
<b>240 Ionia Avenue Apts (2014)</b> 240 Ionia Avenue	<b>48</b> 1br/1ba 1br/1ba 2br/2ba	\$430 to \$500 \$1,330 to \$1,600 \$1,700 to \$2,000	726 772 to 900 1,120 to 1,200	\$0.59 to \$0.69 \$1.72 to \$1.78 \$1.52 to \$1.67	<b>Three available.</b> <b>94% occupancy</b> <i>Half income-restricted, half market-rate.</i>
<b>Baker Lofts (1913; 2013)</b> 40 Logan Street, SW	<b>87</b> 1br/1ba 2br/1ba	\$450 to \$550 \$550 to \$750	597 to 739 778 to 1,202	\$0.74 to \$0.75 \$0.62 to \$0.71	<b>None available.</b> <b>100% occupancy</b> <i>Income restrictions.</i> <i>Exercise room, utilities included.</i>
<b>Division Park Ave. (1910; 2011)</b> 209 South Division Avenue	<b>30</b> 1br/1ba 2br/1.5ba 2br/2ba TH 3br/2ba TH	\$515 to \$695 \$605 to \$809 \$677 to \$818 \$539 to \$771	533 to 846 707 to 919 1,017 to 1,381 1,567 to 1,753	\$0.82 to \$0.97 \$0.88 to \$0.86 \$0.67 to \$0.59 \$0.34 to \$0.44	<b>Four available</b> <b>87% occupancy</b> <i>Under renovation.</i> <i>Income restrictions.</i>

SOURCE: Zimmerman/Volk Associates, Inc.



**Summary Of Selected Rental Properties**  
*Greater Downtown Grand Rapids, Kent County, Michigan*  
**August, 2014**

<i>Property (Date Opened)</i> <i>Address</i>	<i>Number of Units</i>	<i>Unit Base Rent</i>	<i>Unit Size</i>	<i>Rent per Sq. Ft.</i>	<i>Additional Information</i>
<b>Metropolitan Park (2007)</b> 350 Ionia Avenue, SW	<b>24</b> 2br/2ba	\$542	1,050	\$0.52	<b>One Available</b> <b>96% occupancy</b> <i>Income restrictions.</i>
<b>Serrano Lofts (1917; 2011)</b> 17 Williams Street, SW	<b>15</b> 1br/1ba 1br/1.5ba 2br/1ba 2br/1.5ba	\$547 to \$693 \$853 \$682 \$889	606 to 621 930 825 933	\$0.90 to \$1.12 \$0.92 \$0.83 \$0.95	<b>None available</b> <b>100% occupancy</b> <i>Income restrictions.</i>
<b>The Lofts (1925; 1999)</b> <b>(Adaptive Re-Use)</b> 26 Sheldon Boulevard SE <i>Low-rise, 6-story building</i>	<b>55</b> 1br/1ba 2br/1ba 2br/2ba	\$556 to \$693 \$660 to \$824 \$660 to \$824	580 to 765 840 to 897 747 to 900	\$0.96 to \$0.91 \$0.79 to \$0.92 \$0.88 to \$0.92	<b>Four available</b> <b>93% Occupancy</b> <i>Income restrictions.</i> <i>Fitness room; laundry;</i> <i>community room.</i>
<b>Uptown Village (2007)</b> 950 Wealthy Street, SE	<b>24</b> 2br/1ba 3br/2ba 3br/2ba TH	\$563 \$650 to \$745 \$838	852 1,125 to 1,316 1,200	\$0.66 \$0.57 to \$0.58 \$0.70	<b>One available</b> <b>96% occupancy</b> <i>Playground, parking.</i> <i>Income restrictions.</i> <i>Water included</i>
<b>Martineau Apartments (2005)</b> <b>(Adaptive Re-Use)</b> 106-120 South Division	<b>23</b> Loft/1ba Artist Live-Work	\$573 to \$695	850 to 1,300	\$0.53 to \$0.67	<b>One available</b> <b>96% Occupancy</b> <i>Income restrictions.</i>
<b>Waters House (1961)</b> 500 East Fulton	<b>102</b> Studio/1ba 1br/1ba 2br/1ba 2br/1.5ba 2br/2ba 3br/2ba	\$575 \$650 to \$725 \$725 \$825 \$1,000 \$1,000	408 624 to 768 768 912 1,152 1,152	\$1.41 \$1.04 \$0.94 \$0.94 \$0.90 \$0.87 \$0.87	<b>None available.</b> <b>100% occupancy</b> <i>Pool,</i> <i>Community Room.</i> <i>Water &amp; gas included.</i>
<b>College Hill</b> 510 College Ave. NE	<b>132</b> Studio/1ba 1br/1ba 2br/1ba	\$585 to \$595 \$665 to \$695 \$795 to \$840	429 686 784	\$1.36 to \$1.39 \$0.97 to \$1.01 \$1.01 to \$1.07	<b>n/a</b> <i>Fitness Center</i>

SOURCE: Zimmerman/Volk Associates, Inc.

**Summary Of Selected Rental Properties**  
*Greater Downtown Grand Rapids, Kent County, Michigan*  
**August, 2014**

<i>Property (Date Opened)</i> <i>Address</i>	<i>Number of Units</i>	<i>Unit Base Rent</i>	<i>Unit Size</i>	<i>Rent per Sq. Ft.</i>	<i>Additional Information</i>
<b>Half Century Building</b> 16 Jefferson Street, SE	<b>18</b>				<b>None available</b> <b>100% occupancy</b> <i>Income restrictions.</i> <i>Utilities included</i>
	Studio/1ba	\$610	400	\$1.53	
	1br/1ba	\$695 to \$705	400 to 500	\$1.41 to \$1.74	
	2br/1ba	\$1,030	750	\$1.37	
<b>Kelsey Apts (2006)</b> <b>(Adaptive Re-Use)</b> 235 South Division Avenue SE	<b>14</b>				<b>Two available</b> <b>86% Occupancy</b> <i>Income restrictions.</i>
	3br/1ba	\$629 to \$850	885 to 1,616	\$0.71 to \$0.53	
<b>Globe Apartments (1903; 2001)</b> <b>(Adaptive Re-Use)</b> 315 Commerce Avenue, SW <i>Low-rise, 7-story building</i>	<b>120</b>				<b>None available.</b> <b>100% occupancy</b> <i>Mixed income.</i> <i>Pool, exercise facility.</i> <i>business center, whirlpool</i> <i>garage (\$50)</i>
	1br/1ba	\$631 to \$800	651 to 1,008	\$0.79 to \$0.97	
	2br/1ba	\$762 to \$1,000	987	\$0.77	
	2br/2ba	\$762 to \$1,000	906 to 1,190	\$0.84 to \$0.84	
	3br/2ba	\$881 to \$1,200	1,357 to 1,395	\$0.65 to \$0.86	
<b>Grand Central Lofts (2012)</b> 100 Commerce Avenue	<b>31</b>				<b>Nine Available.</b> <b>71% occupancy</b>
	Studio/1ba	\$725 to \$750	350 to 425	\$1.76 to \$2.07	
	1br/1ba	\$875 to \$900	400 to 638	\$1.41 to \$2.19	
	2br/1ba	\$1,150 to \$1,250	540 to 770	\$1.62 to \$2.13	
<b>616 Lofts on Prospect (07/14)</b> <b>(Adaptive Re-Use)</b>	<b>24</b>				<b>In lease-up</b> <i>Parking included</i>
	Studio/1ba	\$750			
	1br/1ba	\$1,175 to \$1,625	624 to 903	\$1.88 to \$1.80	
	2br/1ba	\$1,600 to \$1,800	898 to 907	\$1.76 to \$1.98	
<b>Loose Leaf Lofts (1930; 2008)</b> <b>(Adaptive Re-Use)</b> 333 Commerce Avenue, SW	<b>34</b>				<b>None available</b> <b>100% Occupancy</b> <i>Sky deck, hot tub.</i> <i>water included</i>
	Micro-unit				
	Studio/1ba	\$795	515	\$1.54	
	Live-Work/1ba	\$850	750	\$1.13	
	1br/1ba	\$860 to \$985	720 to 1,000	\$0.99 to \$1.19	
	2br/1ba	\$1,095 to \$1,195	900 to 1,060	\$1.13 to \$1.22	
	1br/1ba PH	\$1,350 to \$1,550	900 to 1,330	\$1.17 to \$1.50	

SOURCE: Zimmerman/Volk Associates, Inc.

**Summary Of Selected Rental Properties**  
*Greater Downtown Grand Rapids, Kent County, Michigan*  
**August, 2014**

<i>Property (Date Opened)</i> <i>Address</i>	<i>Number of Units</i>	<i>Unit Base Rent</i>	<i>Unit Size</i>	<i>Rent per Sq. Ft.</i>	<i>Additional Information</i>
<b>The Gallery (2010)</b> 10 Commerce Avenue, SW	<b>56</b> Studio/1ba 1br/1ba 2br/2ba 3br/2ba	 \$950 \$1,150 to \$1,300 \$1,600 to \$1,900 \$2,100 \$2,500	 477 702 to 758 1,009 to 1,072 1,292	 \$1.99 \$1.64 to \$1.72 \$1.59 to \$1.77 \$1.63 to \$1.93	<b>None available.</b> <b>100% occupancy</b> <i>Rooftop deck, fitness center, theater, parking, shops, services (dog walking, dry cleaning, personal trainer, etc.)</i>
<b>616 Lofts on Pearl (1910; 2011)</b> 139 Pearl Street, NW	<b>12</b> 1br/1ba 2br/1ba	 \$950 to \$1,000 \$1,250 to \$1,600	 563 to 627 750 to 950	 \$1.52 to \$1.69 \$1.67 to \$1.68	<b>None available</b> <b>100% occupancy.</b>
<b>616 Lofts on Ionia (1930; 2012)</b> 1 Ionia Avenue, SW	<b>26</b> 1br/1ba 2br/1ba	 \$1,050 to \$1,625 \$1,600 to \$1,650	 624 to 903 898 to 907	 \$1.68 to \$1.80 \$1.76 to \$1.82	<b>None available</b> <b>100% occupancy.</b>
<b>26 Cherry Street (2013)</b> 26 Cherry Street	<b>45</b> 1br/1ba	 \$1,050 <i>{market-rate unit}</i>	 624	 \$1.68	<b>One available</b> <b>98% occupancy.</b> <i>Mixed-income.</i>
<b>38 Apartments (2010)</b> 38 Commerce Avenue, SW <i>Low-rise, 8-story building</i>	<b>43</b> 1br/1ba 2br/2ba Penthouse: 1br/2.5ba/den Penthouse: 1br/2.5ba/den Penthouse: 2br/2.5ba Penthouse: 2br/2.5ba Penthouse: 2br/2.5ba Penthouse: 2br/2.5ba Penthouse: 2br/2.5ba Penthouse: 2br/2.5ba	 \$1,190 to \$1,345 \$1,748 to \$1,812 \$2,000 \$2,100 \$2,100 \$2,400 \$2,500 \$2,600 \$2,700	 590 to 670 1,280 to 1,520 1,259 1,359 1,361 1,620 1,696 1,665 1,806	 \$2.01 to \$2.02 \$1.19 to \$1.37 \$1.59 \$1.55 \$1.54 \$1.48 \$1.47 \$1.56 \$1.50	<b>n/a</b> <i>Rooftop fitness center; same-floor parking.</i>
<b>616 Lofts at Grandville (1900; 2013)</b> 206 Grandville Avenue, SW	<b>18</b> 1br/1ba 2br/1ba	 \$1,200 to \$1,250 \$1,500 to \$1,550	 605 to 625 760 to 900	 \$1.98 to \$2.07 \$1.97 to \$2.04	<b>Two available.</b> <b>89% occupancy</b>

SOURCE: Zimmerman/Volk Associates, Inc.

**Summary Of Selected Rental Properties**  
*Greater Downtown Grand Rapids, Kent County, Michigan*  
**August, 2014**

<i>Property (Date Opened)</i> <i>Address</i>	<i>Number of Units</i>	<i>Unit Base Rent</i>	<i>Unit Size</i>	<i>Rent per Sq. Ft.</i>	<i>Additional Information</i>
<b>Plaza Towers (1992; 1997)</b> 201 Fulton Street, NW 34-story building	<b>133</b> Studio/1ba 1br/1ba 2br/2ba	 \$1,385 to \$1,935 \$1,305 to \$2,135 \$1,605 to \$2,563	 475 to 637 to 701 977 to 1,161	 \$2.92 to \$4.07 \$2.05 to \$3.05 \$1.64 to \$2.21	<b>None available.</b> <b>100% Occupancy</b> Clubhouse, indoor pool, whirlpool, sauna, fitness center, rooftop sports deck, tennis court. garage
<b>205 S. Division (2013)</b> 205 South Division	<b>38</b> 2br/2ba	\$1,490 {market-rate unit}	1,098	\$1.36	<b>One available</b> <b>97% occupancy.</b> Mixed-income.
. . . . . Other Study Area . . . . .					
<b>Glenhaven Manor</b> 2619 Kalamazoo Avenue	<b>133</b> 1br/1ba 2br/1ba	. . . . . Age-Restricted . . . . . \$1,200 to \$1,250 \$1,500 to \$1,550	 605 to 625 760 to 900	 \$1.98 to \$2.07 \$1.97 to \$2.04	<b>Two available.</b> <b>89% occupancy</b>
. . . . . Student Housing . . . . .					
<b>Lofts @ 5 Lyon (2011)</b> 5 Lyon Street	<b>167 beds</b> Studio/1ba 1br/1ba 2br/1ba 3br/1ba 4br/1ba	 \$820 \$910 \$1,410 to \$1,470 \$1,890 to \$1,950 \$2,420 to \$2,480	 340 400 to 500 400 to 500 600 to 800 900 to 1,100	 \$2.41 \$1.82 to \$2.28 \$3.53 to \$2.94 \$3.15 to \$2.44 \$2.69 to \$2.25	<b>None available.</b> <b>100% occupancy</b> Fully furnished.
<b>Hopson Flats (1906; 2007)</b> 212-216 Grandville Avenue, SW Low-rise, 5-story building	<b>42</b> 2br/1ba 3br/1ba 4br/2ba	 \$1,380 \$1,860 \$2,200 to \$2,240	 \$690 per month per bed \$620 per month per bed \$550 per month per bed \$560 per month per bed	 \$2.50 \$2.50 \$2.50 \$2.50	<b>None available.</b> <b>100% occupancy</b> Exercise facility, game room, lounge, entertainment room utilities included.
Grad student suites:	1br/1ba 2br/2ba	\$1,125 \$1,850	450 700	\$2.50 \$2.64	

SOURCE: Zimmerman/Volk Associates, Inc.

—MULTI-FAMILY AND SINGLE-FAMILY ATTACHED AND DETACHED FOR-SALE PROPERTIES—

Most of the condominium housing developments started prior to or during the collapse of the housing market are nearing sell-out, or, if not sold out, continue to lease unsold units. (See Table 9.)

Resale prices for Downtown units now start at around \$85,000 (one unit at Boardwalk Condominiums). Resales at the 180-unit Union Square condominium are priced between \$164,900 for a 1,006-square-foot one-bedroom apartment to \$299,000 for a 1,682-square-foot two-bedroom unit with three baths. Four units remain to be sold, although many of the units are available as rentals, with rents ranging between \$1,000 and \$2,200 per month.

River House, the 34-story tower located on Bridge Street, also has several units, both new and resale, on the market. The listed units are priced between \$279,900 for a 1,029-square-foot one-bedroom apartment to \$4.2 million for a 6,842-square-foot four-bedroom/three-bath penthouse. Base prices per square foot for resales as well as the remaining units range between \$221 and \$614.

Nearly all of the condominiums and townhouses developed in Belknap Lookout by the Artesian Group are currently on the market: eight of the nine two- and three-bedroom Belknap Brownstones, ranging in size from 1,120 to 2,440 square feet, have base prices ranging between \$235,000 and \$375,000 (\$137 to \$279 per square foot) and the townhouses have base prices of \$376,900 for units containing 2,080 square feet (\$181 per square foot).

The least expensive, and smallest condominiums on the market at the time of the field investigation, are at Hillmount Condominiums, the conversion of a 1949 apartment building in Heritage Hill. The four listed units are priced between \$68,000 and \$105,000 for 369 to 629 square feet of living space (\$167 to \$196 per square foot).

# Summary Of Selected For-Sale Multi-Family And Single-Family Attached Current Listings

Greater Downtown Grand Rapids, Kent County, Michigan

August, 2014

<u>Development (Date Opened)</u> <u>Address</u>	<u>Unit</u> <u>Type</u>	<u>Unit Price</u> <u>Range</u>	<u>Unit Size</u> <u>Range</u>	<u>Price Per</u> <u>Sq. Ft.</u>	<u>Total</u> <u>Units</u>
..... Downtown .....					
<b>Boardwalk Condos (2001-07)</b>	CO				<b>236</b>
<b>(Adaptive Re-Use:</b>	1br/1ba	\$84,900	466	\$182	
<b>1892 Berkey &amp; Gay Factory)</b>	1br/1ba	\$126,900	631	\$201	
940 Monroe Avenue, NW	2br/1ba	\$179,900	1,146	\$157	
	2br/1ba	\$179,900	1,003	\$179	
	1br/1ba	\$182,500	918	\$199	
	1br/1ba	\$184,900	895	\$207	
	2br/1ba	\$189,900	1,087	\$175	
	1br/1ba	\$194,900	846	\$230	
	2br/2ba	\$199,750	1,254	\$159	
	2br/1ba	\$199,900	1,132	\$177	
	2br/2ba	\$214,900	1,125	\$191	
	2br/2ba	\$214,900	1,450	\$148	
	2br/2ba	\$214,900	1,191	\$180	
<b>Union Square</b>					
Condos (1900:2006)	CO				<b>180</b>
600 Broadway Avenue, NW	1br/1ba	\$164,900	1,006	\$164	
	1br/1ba	\$169,000	778	\$217	
	3br/1ba	\$204,750	1,500	\$137	
	2br/1ba	\$214,900	1,066	\$202	
	2br/1ba	\$229,900	1,320	\$174	
	2br/2ba	\$248,000	1,057	\$235	
	2br/2ba	\$250,000	1,334	\$187	
	2br/2ba	\$270,000	1,334	\$202	
	2br/2ba	\$299,000	1,675	\$179	
	2br/3ba	\$299,000	1,682	\$178	
<b>Monroe Center (1984)</b>	CO				<b>5</b>
52 Monroe Center	1br/1.5ba	\$228,800	938	\$244	
	2br/1.5ba	\$353,000	1,502	\$235	
49 Monroe Center	2br/2ba	\$324,800	1,484	\$219	
<b>Clark Place Condos</b>	CO				
801 Broadway Avenue	2br/2ba	\$224,900	1,536	\$146	
	2br/2ba	\$224,900	1,527	\$147	
<b>City View Condos</b>	CO				
60 Monroe Center	1br/2ba	\$275,000	1,492	\$184	
	2br/2ba	\$469,900	1,991	\$236	

SOURCE: Zimmerman/Volk Associates, Inc.

**Summary Of Selected For-Sale Multi-Family  
And Single-Family Attached Current Listings**  
Greater Downtown Grand Rapids, Kent County, Michigan  
**August, 2014**

<u>Development (Date Opened)</u> <u>Address</u>	<u>Unit Type</u>	<u>Unit Price Range</u>	<u>Unit Size Range</u>	<u>Price Per Sq. Ft.</u>	<u>Total Units</u>
<b>River House (2008)</b>	CO				<b>207</b>
335 Bridge Street, NW	1br/1.5ba	\$279,900	1,029	\$272	
	2br/2ba	\$329,900	1,491	\$221	
	3br/2ba	\$345,000	1,491	\$231	
	2br/2ba	\$431,900	1,442	\$300	
	3br/2ba	\$435,000	1,702	\$256	
	3br/3ba	\$549,900	1,891	\$291	
	2br/2.5ba	\$1,195,000	2,927	\$408	
	4br/3ba	\$4,200,000	6,842	\$614	
..... Belknap Lookout .....					
<b>Belknap Brownstones (2012)</b>	CO				<b>9</b>
Fairview Avenue	2br/2ba (A3)	\$235,000	1,200	\$196	
	2br/2ba (A2)	\$240,000	1,120	\$214	
	3br/2.5ba (A1)	\$335,000	2,440	\$137	
	2br/2ba (C3)	\$240,000	1,120	\$214	
	2br/2ba (C2)	\$235,000	1,200	\$196	
	3br/2.5ba (C1)	\$335,000	2,440	\$137	
	3br/2.5ba (D2)	\$335,000	1,200	\$279	
	3br/2.5ba (D1)	\$375,000	2,320	\$162	
<b>Belknap Lookout THs (2012)</b>	TH				<b>2</b>
Fairview Avenue	3br/2.5ba	\$376,900	2,080	\$181	
..... Heartside .....					
<b>Plaza Towers (1997)</b>	CO				<b>144</b>
Campau Circle	2br/2ba	\$164,900	967	\$171	
	2br/2ba	\$169,000	965	\$175	
	2br/2.5ba	\$279,900	1,277	\$219	
..... Heritage Hill .....					
<b>Hillmount (1949; 2005)</b>	CO				<b>101</b>
<b>(Renovation of 1949 apt bldg)</b>	1br/1ba	\$68,000	369	\$184	
505 Cherry Street, SE	1br/1ba	\$72,500	369	\$196	
	1br/1ba	\$84,900	473	\$179	
	1br/1ba	\$105,000	629	\$167	

SOURCE: Zimmerman/Volk Associates, Inc.

As of November, 2014, there were dozens of existing single-family detached houses in the Target Market Study Area listed on the market with asking prices below \$100,000, with a dwindling number of those priced below \$50,000. (*See* Table 10.) Most of the listed houses were built in the late 19<sup>th</sup> Century/early 20<sup>th</sup> Century and represent classic styles of American architecture.

The majority of the houses contain three or four bedrooms and one or one-and-a-half baths—although there is also a small number of older two-bedroom houses listed as well, and a few with two baths, mostly in the Southeast—with asking prices ranging between just \$18,000 for a 1,158-square-foot three-bedroom house in the Northeast, and \$359,800 for a 3,376-square-foot, five-bedroom house on College Avenue in the Southeast (between \$16 and \$107 per square foot).

The Winchester Estate on Fulton Street is also on the market, listed for \$789,000, which includes five bedrooms, four full baths, and two half baths in over 3,900 square feet of living space (\$202 per square foot).



**Summary of Current Single-Family Listings***Greater Downtown Grand Rapids, Kent County, Michigan***November, 2014**

<i>Address</i>	<i>Asking Price</i>	<i>Unit Size</i>	<i>Price psf</i>	<i>Unit Configuration</i>	<i>Year Built</i>
<i>..... Northeast .....</i>					
<i>Lafayette Avenue</i>	\$18,000	1,158	\$16	3br/1.5ba	1923
<i>Hopson Street</i>	\$44,900	1,322	\$34	3br/1.5ba	1952
<i>Sinclair Avenue</i>	\$46,000	1,104	\$42	3br/1.5ba	1928
<i>Fuller Avenue</i>	\$50,000	1,420	\$35	2br/1ba	1962
<i>Emerald Avenue</i>	\$51,900	698	\$74	2br/1ba	1950
<i>Fairbanks Street</i>	\$59,900	1,025	\$58	3br/1ba	1925
<i>Harlan Avenue</i>	\$59,900	2,020	\$30	3br/1.5ba	1900
<i>Bradford Street</i>	\$64,900	1,280	\$51	4br/1ba	1895
<i>Spring Avenue</i>	\$65,000	1,200	\$54	3br/1.5ba	1930
<i>Malta Street</i>	\$69,900	700	\$100	2br/1ba	1948
<i>Bissell Street</i>	\$74,900	1,464	\$51	3br/1.5ba	1912
<i>Leonard Street</i>	\$74,900	1,676	\$45	4br/1.5ba	1910
<i>Houseman Avenue</i>	\$76,000	955	\$80	2br/1ba	1956
<i>Emerald Avenue</i>	\$78,800	1,092	\$72	3br/1ba	1925
<i>Zeeland Court</i>	\$78,900	2,400	\$33	2br/2ba	1900
<i>Vandine Place</i>	\$79,900	1,089	\$73	3br/1ba	1910
<i>Coit Avenue</i>	\$79,900	1,050	\$76	2br/1ba	1926
<i>Harlan Avenue</i>	\$86,500	1,512	\$57	3br/1.5ba	1923
<i>Cedar Street</i>	\$87,500	1,005	\$87	2br/1ba	1920
<i>Lydia Street</i>	\$89,700	1,325	\$68	3br/2ba	1910
<i>Innes Street</i>	\$94,000	1,963	\$48	2br/2ba	1940
<i>North Avenue</i>	\$95,000	3,108	\$31	4br/2ba	1920
<i>Emerald Avenue</i>	\$97,750	1,322	\$74	3br/1ba	1925
<i>Coit Avenue</i>	\$99,900	2,745	\$36	5br/2ba	1890
<i>Fairview Avenue</i>	\$99,900	560	\$178	2br/1ba	1880
<i>Benjamin Avenue</i>	\$100,000	1,456	\$69	5br/2ba	1909
<i>Eastern Avenue</i>	\$104,900	1,312	\$80	3br/1ba	1948
<i>Leonard Street</i>	\$105,800	2,428	\$44	5br/1.5ba	1902
<i>Spring Avenue</i>	\$114,500	1,390	\$82	3br/1.5ba	1927
<i>Spring Avenue</i>	\$114,900	1,080	\$106	3br/1ba	1958
<i>Auburn Avenue</i>	\$114,900	1,233	\$93	3br/1ba	1926
<i>Barnett Place</i>	\$115,000	1,378	\$83	3br/1.5ba	1958
<i>Baynton Avenue</i>	\$118,500	1,308	\$91	3br/1.5ba	1926
<i>Michigan Street</i>	\$124,000	2,048	\$61	3br/1.5ba	1951
<i>Wallinwood Avenue</i>	\$124,900	1,530	\$82	2br/1ba	1951
<i>Spring Avenue</i>	\$129,900	3,200	\$41	3br/1ba	1955
<i>College Avenue</i>	\$130,000	1,600	\$81	3br/1.5ba	1931
<i>College Avenue</i>	\$134,900	3,047	\$44	4br/2.5ba	1915
<i>Lyon Street</i>	\$139,900	1,324	\$106	3br/1ba	1949

SOURCE: Multiple Listing Service;  
Zimmerman/Volk Associates, Inc.

# Summary of Current Single-Family Listings

Greater Downtown Grand Rapids, Kent County, Michigan

November, 2014

<i>Address</i>	<i>Asking Price</i>	<i>Unit Size</i>	<i>Price psf</i>	<i>Unit Configuration</i>	<i>Days On Market</i>
<i>..... Northeast {continued} .....</i>					
<i>Union Avenue</i>	\$144,000	1,312	\$110	3br/1.5ba	1900
<i>Mayfield Avenue</i>	\$145,000	1,453	\$100	3br/2ba	1927
<i>Holmdene Boulevard</i>	\$159,900	1,475	\$108	3br/1ba	1955
<i>Fairview Avenue</i>	\$159,900	1,550	\$103	3br/1.5ba	1910
<i>Grand Avenue</i>	\$161,000	1,802	\$89	3br/1ba	1904
<i>Mayfield Avenue</i>	\$165,000	1,414	\$117	3br/1.5ba	1925
<i>Baltimore Drive</i>	\$214,900	2,739	\$78	3br/1.5ba	1949
<i>Bel Air Drive</i>	\$225,000	1,850	\$122	3br/2.5ba	1954
<i>..... East .....</i>					
<i>Fulton Street</i> <i>(Winchester estate)</i>	\$789,000	3,904	\$202	5br/4.5ba	1920
<i>..... Southeast .....</i>					
<i>Charles Avenue</i>	\$25,500	843	\$30	2br/1ba	1905
<i>Cass Avenue</i>	\$44,800	1,776	\$25	4br/2ba	1875
<i>Buckley Street</i>	\$44,900	2,426	\$19	5br/2ba	1890
<i>Sheldon Avenue</i>	\$89,900	2,217	\$41	5br/2ba	1882
<i>Prospect Avenue</i>	\$124,900	1,862	\$67	4br/1.5ba	1906
<i>James Avenue</i>	\$161,500	2,080	\$78	5br/2ba	1890
<i>Prospect Avenue</i>	\$234,900	2,280	\$103	3br/2.5ba	1890
<i>Morris Avenue</i>	\$299,100	3,300	\$91	5br/3.5ba	1899
<i>College Avenue</i>	\$359,800	3,376	\$107	5br/2.5ba	1910
<i>..... Southwest .....</i>					
<i>Beacon Street</i>	\$29,900	1,470	\$20	4br/3ba	1912
<i>Hall Street</i>	\$32,900	1,450	\$23	3br/1ba	1912
<i>Norwich Avenue</i>	\$34,900	860	\$41	2br/1ba	1900
<i>Cordelia Street</i>	\$39,900	1,173	\$34	4br/1ba	1900
<i>Burns Street</i>	\$40,000	950	\$42	2br/1ba	1925
<i>Olympia Street</i>	\$44,900	1,080	\$42	3br/1ba	1929
<i>Liberty Street</i>	\$49,700	1,650	\$30	4br/1ba	1916
<i>Griggs Street</i>	\$49,900	1,373	\$36	3br/1ba	1923
<i>Norwich Avenue</i>	\$53,000	2,000	\$27	3br/2ba	1926
<i>Underhill Avenue</i>	\$53,000	1224	\$43	4br/1ba	1927

SOURCE: Multiple Listing Service;  
Zimmerman/Volk Associates, Inc.

# Summary of Current Single-Family Listings

Greater Downtown Grand Rapids, Kent County, Michigan

November, 2014

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<i>Address</i>	<i>Asking Price</i>	<i>Unit Size</i>	<i>Price psf</i>	<i>Configuration</i>	<i>Days On Market</i>
<i>..... Southwest {continued} .....</i>					
<i>London Street</i>	\$54,900	1,676	\$33	5br / 3ba	1910
<i>Vries Street</i>	\$56,000	1,348	\$42	5br / 2ba	1926
<i>Woolsey Drive</i>	\$57,900	1,224	\$47	3br / 1ba	1958
<i>Stolpe Street</i>	\$65,000	1,092	\$60	4br / 1.5ba	1920
<i>Stolpe Street</i>	\$69,900	2,308	\$30	4br / 2.5ba	1922

SOURCE: Multiple Listing Service;  
Zimmerman/Volk Associates, Inc.

## SENSE OF PLACE

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Establishing, reviving or enhancing a sense of place in a neighborhood depends on a number of inter-related elements that emphasize diversity, connectivity and choice.

- **Connectivity.** A well-defined sense of place includes a diversity of land uses—housing, office, retail, civic and public uses—that are connected by a street network as seamlessly as possible.
- **Housing Choice.** A well-defined sense of place includes a diversity of housing types that meet the preferences and financial capabilities of a wide range of potential renters and buyers.
- **Transportation Choice.** A well-defined sense of place includes a street network that allows for many transportation options: walking, biking and public transportation, as well as the automobile.
- **Open Spaces.** A well-defined sense of place includes public open spaces, whether formal or informal, that are usually fronted by buildings, often across a public right-of-way.
- **Public Realm.** A well-defined sense of place includes a quality public realm, interconnected by pedestrian-ways, sidewalks, and public streets fronted by private or public uses, not parking lots and garage doors.
- **Preservation.** A well-defined sense of place retains and maintains its iconic and historic buildings, infrastructure, or streetscapes, enhancing a neighborhood's authenticity.

The neighborhood business corridors in the Target Market Study Area already exhibit these place-making characteristics, or have the potential to develop many of the elements that create a well-defined sense of place. The Neighborhood Business Alliance, which includes all 20 neighborhood business associations in the city, and Neighborhood Ventures, a non-profit community and neighborhood economic development agency, with the support of the City of Grand Rapids, have provided numerous programs and services to assist the individual districts with business recruitment, redevelopment incentives, and marketing and branding. These efforts contribute to the strengthening of the sense of place that is inherent in business districts.

For purposes of this analysis, several individual business corridors have been combined, based on proximity, into larger neighborhood areas, as described in the INTRODUCTION:

- Northeast (Creston business district, Census Tract 9);
- Westside (West Leonard, Stockbridge and West Fulton business districts, Census Tracts 8, 15, 16, 19 and 27);
- Downtown (including the Monroe North and Heartside business districts, Census Tracts 14, 20 and 21);
- Uptown (the East Fulton, Cherry/Lake/Diamond, Wealthy Street and Eastown business districts, Census Tracts 24 and 25);
- Southwest (the Grandville business district, Census Tracts 26 and 39); and
- Southeast (the Division South, Madison Square, Burton Heights, Franklin/Eastern and Boston Square business districts, Census Tracts 28, 30-32, 36-38 and 40).

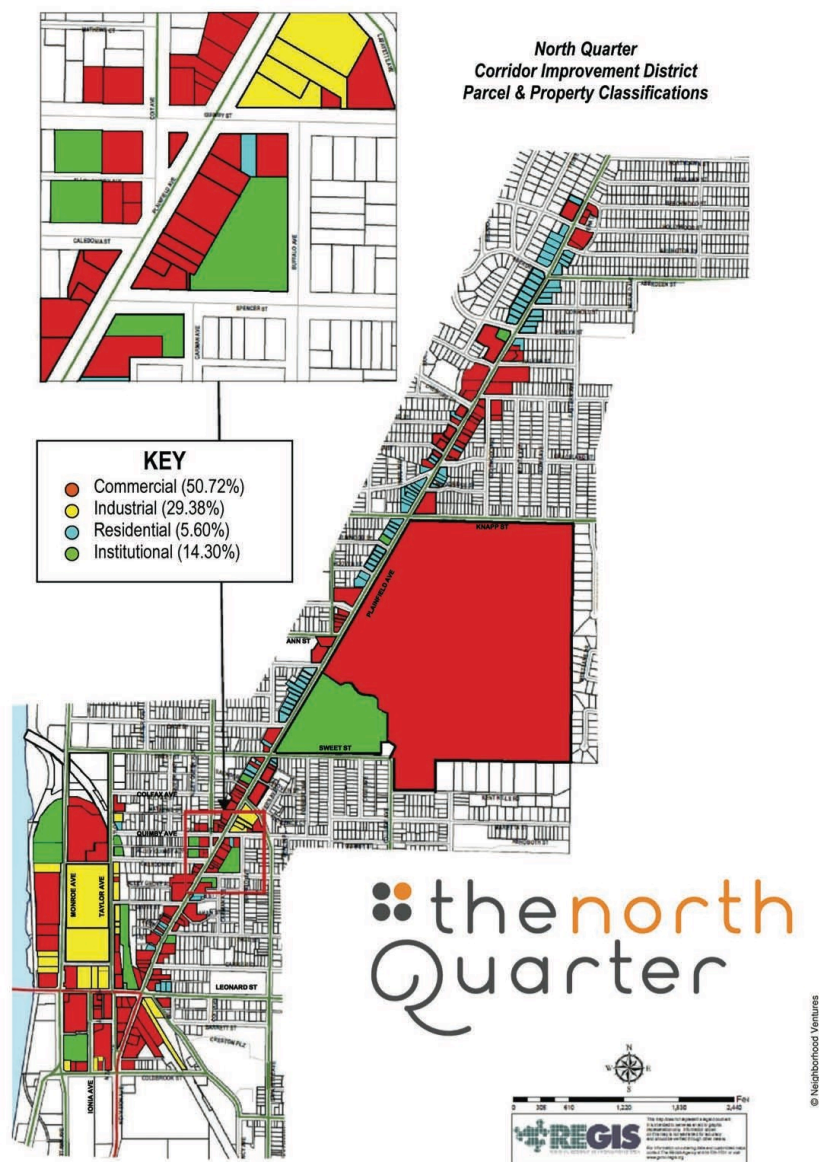
#### —Northeast—

The Northeast, which includes the Creston business district, is located north of Downtown's North Monroe business district and east of the Westside's West Leonard business district. (*Reference Map 5, Northeast*). The Northeast already contains many attributes that contribute to place-making. Plainfield Avenue is the principal commercial corridor in the district and is the location of the Creston Market, a small grocery store that is being renovated and expanded, as well as numerous other retailers. The Red Jet Café, situated at the intersection of Plainfield and

Coit Avenues in a former library building, the charming Choo Choo Grill, Graydon's Crossing, Quinn & Tuites Irish Pub, and the Rezervoir Lounge are popular neighborhood eateries located on Plainfield Avenue. Two public schools are located on Plainfield Avenue—the Palmer Elementary School and the City High Middle School. The Van Belkum Branch of the Grand Rapids Public Library system is also situated on Plainfield Avenue. The Catherine's Health Center on Lafayette Avenue, a non-profit, community-based health facility, serves low-income residents of northeast Grand Rapids.

- **Connectivity.** The Creston area is situated on a bluff overlooking the Grand River and western Grand Rapids. The east-west streets form a grid between Monroe Avenue and Plainfield Avenue. Only Ann Street in the northern part of the district and Leonard Street in the south connect the area to the west side of Grand Rapids. Plainfield Avenue, a principal arterial that carries 16,000 to 18,000 cars per day, crosses the district in a north-south direction, and links the area to the northern suburbs and, more importantly, to Downtown Grand Rapids in the south, where it turns into Division Avenue.
- **Housing Choice.** Single-family houses predominate in the Northeast, although there are also a significant number of two-family houses and a small number of upper-floor apartments in buildings located on Plainfield Avenue. The attractive Vander Broek Building on Plainfield Avenue contains 17 studios, and one- and two-bedroom apartments above the ground-floor retail. Carrier Crest, owned by the Creston Neighborhood Association, is located on Carrier Street, and contains 12 low-income studio and one-bedroom apartments. 616 Development recently announced the proposed construction of 40 market-rate rental apartments and 2,600 square feet of retail on Plainfield Avenue, where Club North and the Break Room Bar and Grille are being torn down to accommodate the new project. The median housing value in the district exceeds \$90,200, and homeowners occupy more than 58 percent of all housing units. The Creston Neighborhood Association has focused its efforts on rehabilitation of single-family houses and encouraging homeownership.

AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL  
 The Target Market Study Area  
 Neighborhood Business Corridors  
*The City of Grand Rapids, Kent County, Michigan*  
 March, 2015



MAP 5: NORTHEAST

- **Transportation Choice.** The Rapid's Number 11 bus route runs the full length of Plainfield Avenue from Elmdale in the north to Leonard Street, then follows Lafayette Street and Michigan Avenue to the Central Station in Downtown Grand Rapids, where multiple bus routes intersect. There are sidewalks throughout the area providing pedestrian access to the stores and shops along Plainfield Avenue. Most residents either drive their own automobiles or car-pool to work; only two percent are able, and choose to walk to work.
- **Open Spaces.** Two parks—Briggs Park just south of Knapp Street and a block to the west of Plainfield Avenue, and Sweet Street Park, a smaller park adjacent to the City High Middle School—are located in the area. The Kent Country Club and its 18-hole golf course is located in the eastern part of the study area, providing extensive green frontage along Plainfield Avenue.
- **Public Realm.** As noted above, sidewalks are extensive throughout the neighborhood. There are a limited number of vacant lots and/or buildings in the area, but there are a few open parking lots on Plainfield Avenue that detract from the pedestrian experience. The North Quarter Corridor Improvement District, covering Plainfield Avenue in the Creston area, has a Tax Increment Financing Plan and Development Plan to address public infrastructure, parking and transportation issues, streetscape amenities, and marketing.
- **Preservation.** Many of the buildings that line Plainfield Avenue are older buildings, which have been upgraded, although there are still a few in need of renovation. The Creston Neighborhood Association has concentrated its efforts on preservation of existing single-family houses through renovation and rehabilitation.



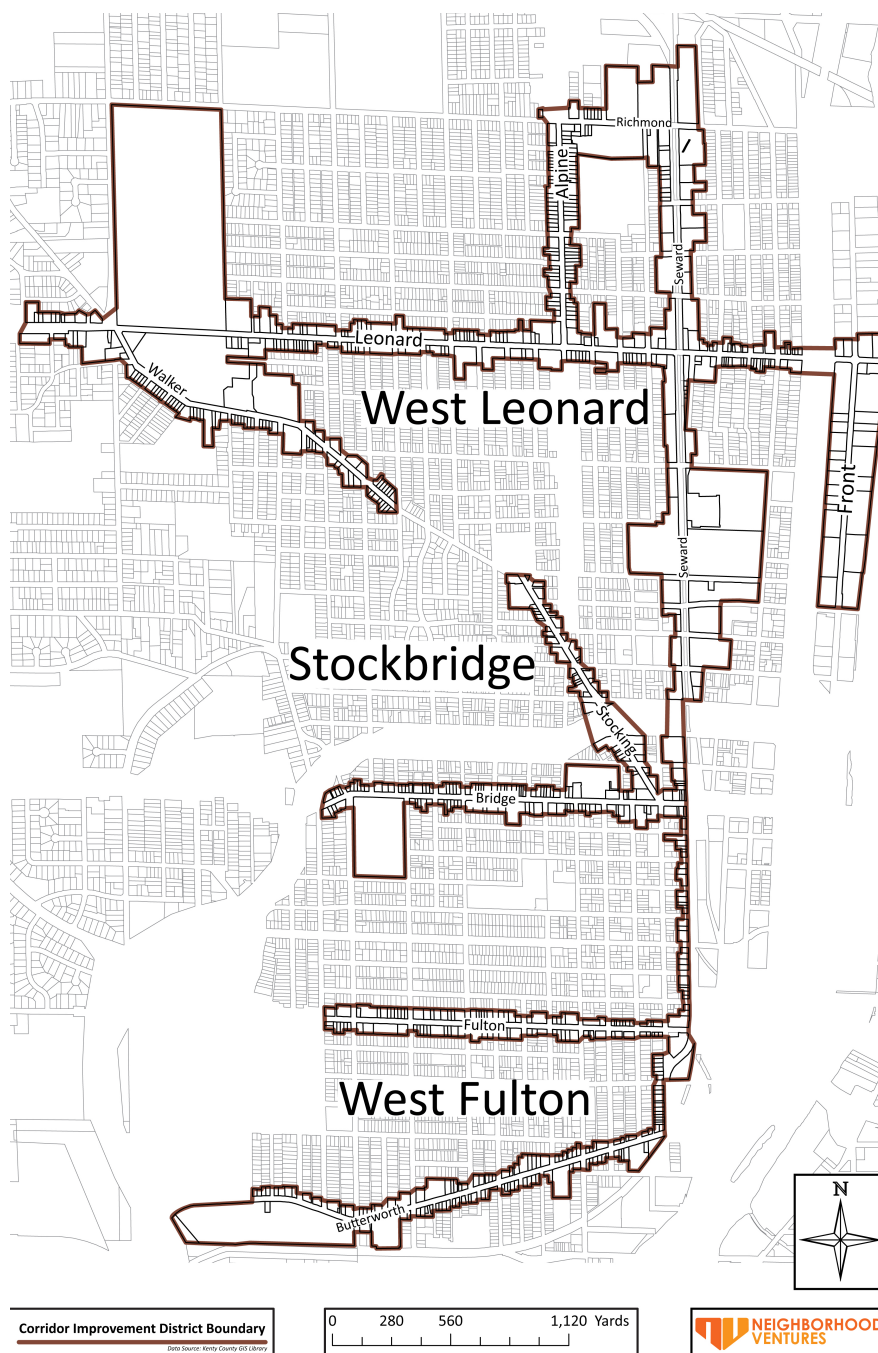
—Westside—

The Westside includes the West Leonard, Stockbridge and West Fulton business districts, located west of Downtown Grand Rapids and the Grand River. (*Reference* Map 6, Westside.) The Turner Gateway Neighborhood Enterprise Zone stretches from just south of Leonard Street to just north of Bridge Street.

The West Leonard business district is a major commercial corridor and is the location of numerous retail and commercial uses in one- and two-story buildings, many of them historic. Commercial uses include auto-oriented businesses, such as gas stations and repair shops, and a variety of enterprises including shoe stores, bakeries, banks, furniture outlets, party stores and fast-food restaurants, among many others.

There are numerous assets along West Leonard: The “Galactic Headquarters” of the Geek Group, a non-profit educational organization, is located on Leonard Street in a former YMCA building; a new Walgreen’s has been constructed at Leonard Street and Alpine Avenue; and a number of restaurants are located on Leonard, including Brann’s Steakhouse and Sports Grille, Arnie’s Bakery and Restaurant, and the Mitten Brewery. The Harrison Park Elementary School is located two blocks north of Leonard Street; the school is the recipient of a long-term, multi-million dollar investment by the Grand Rapids Community Foundation to improve the academic performance of its students, including the Challenge Scholars program to provide college scholarships to students who graduate from Union High School. The Stocking Elementary School reopened in 2013. The West Leonard Branch of the Grand Rapids Public Library system is situated on Leonard between Tamarack and Powers Avenues.

Bridge Street is the core of the Stockbridge neighborhood business district, and contains a mix of commercial uses ranging from several bars, two banks, Duthler’s Family Foods on Bridge and Gold Streets, a party store, and a clothing store. Rockford Construction moved its headquarters from the suburbs to a brownfield site on West 1<sup>st</sup> Street.



MAP 6: WESTSIDE

West Fulton Street is comprised primarily of single-story buildings that have a more suburban, automobile orientation to the street. National chain restaurants—Dairy Queen, Tim Hortons—are located on West Fulton, along with local eateries—Fulton Street Pub & Grill, Vito's Pizza, Bitter End Coffee House, Adobe In & Out—and bars—Putt-Putt's Bar and Joey's Lounge. The Grand Rapids Campus of Grand Valley State University occupies most of the land between Seward Avenue and the Grand River. North of the main campus, numerous large parking lots serve the University and the YMCA of Greater Grand Rapids.

- **Connectivity.** The Westside area contains a regular grid of streets, interrupted by the Gerald R. Ford Freeway (Interstate 196) just north of Bridge Street. In addition to the freeway and Lake Michigan Drive/Pearl Street, Leonard, Bridge and Fulton Streets provide the only crossings of the Grand River to Downtown Grand Rapids. U.S. 131 further divides the Westside from Downtown and the Grand River. Over 15,000 to 20,000 automobiles travel West Leonard Street every day, and up to 16,000 cars travel West Fulton.
- **Housing Choice.** Half of the housing units in the Westside are single-family detached houses, many of them occupied by students of Grand Valley State University. Almost 30 percent are two-family houses, and the remaining 20 percent are primarily smaller-scale multi-family buildings. Many of the housing units were constructed as worker housing, and are now obsolete based on 21<sup>st</sup> Century housing preferences. A full spectrum of American housing types, including bungalows, four-squares, colonials and ranches are found through the Westside. The median housing value in the district is slightly over \$89,000, and homeowners occupy just under 46 percent of all housing units.
- **Rockford Construction** will be developing the large Bridge Street Gateway project, on Bridge Street between Turner and Broadway Streets that will include a mix of uses, including residential and a multi-story New Holland Brewing Company taproom. Cherry Street Capital has proposed 63 market-rate apartments on Lexington Avenue and Lake Michigan Drive.

- **Transportation Choice.** The Rapid's Number 7 bus route runs along Leonard Street from Wilson Avenue in the west, then along Turner and Scribner Avenues to the Central Station in Downtown Grand Rapids. The Number 12 route follows Lake Michigan Drive to Fulton Street, then along Fulton Street to Central Station. The 12-mile Number 50 bus route (Grand Valley State University Connector) provides transportation from the University's Allendale campus to Downtown Grand Rapids, and is proposed to become the bus rapid transit Laker Line. There are sidewalks throughout the area providing pedestrian access to the stores and shops along the business corridors. Although nearly 70 percent of the residents take their own automobiles to work, over 15 percent use a car-pool, almost five percent take public transportation, and nearly four percent walk to work.
- **Open Spaces.** Lincoln Park, with a playground, a basketball court, and tennis courts, is located on Bridge Street between Marion and Garfield Avenues. The smaller Douglas Park is located between Douglas and Chatham Streets south of Bridge Street. The one-acre Westown Commons south of Watson Street has a basketball court and playground. The John Ball Park and Zoo, situated at the western end of Fulton Street, is home to an aquarium and more than 1,100 animals from five continents. The Fred Meijer Millennium Trail Network connects with Kent Trails and with a City of Grand Rapids trail along Wealthy Street, providing access to Millennium Park, the 1,500-acre urban park that stretches south of John Ball Park and provides a six-acre beach and splashpad, and nearly 20 miles of trails, as well as other recreational opportunities.

- Public Realm. The Westside Development and Tax Increment Financing Plan, underlying the fourth Corridor Improvement District in the city, will address public infrastructure, parking and transportation issues, streetscape amenities, and marketing. This will improve the pedestrian experience along each of the three business corridors within the District, complementing the existing sidewalk infrastructure throughout the Westside.
- Preservation. Although many of the buildings located along each of the neighborhood corridors are obsolete commercial buildings, there are a few older buildings that remain and are being redeveloped or are candidates for redevelopment.

—Downtown—

Over the past several years, Downtown Grand Rapids has become a vibrant residential neighborhood in addition to the economic generator and principal financial, business, and cultural center of Western Michigan. (*Reference Map 7, Downtown.*) Approximately 36,000 people work Downtown, 31,000 students attend colleges and universities Downtown, and there are approximately 3,400 dwelling units currently located in the Downtown. Much of the growth of Downtown can be attributed to the success of the Medical Mile, bordering both sides of Michigan Street, which includes the Van Andel Institute; Spectrum Health's Butterworth Hospital complex which includes the Meijer Heart Center, the Helen DeVos Children's Hospital and the Lemmen-Holton Cancer Pavilion; Grand Valley State University's Cook-DeVos Center for Health Sciences; Michigan State University's Secchia Center Medical School; and Grand Rapids Community College's Calkins Science Center.

There are multiple entertainment, cultural and civic institutions in the Downtown, ranging from the Van Andel Arena, the DeVos Place Convention Center, the Gerald R. Ford Museum, Children's Museum, Van Andel Museum Center, the Grand Rapids Art Museum, the Civic Theater, DeVos Hall, and the Peter Wege Theater, among the most notable. The County Courthouse, the City/County Building, and the main Library of the Grand Rapids library system are located in Downtown. Numerous festivals and public events are held in the Downtown, including the annual Festival of the Arts on Calder Plaza, the Celebration on the Grand, and ArtPrize, which has grown exponentially since its founding in 2009 to an event that attracted more than 380,400 attendees in 2013 who spent more than \$22 million in the city.

The Grand Rapids Downtown Market, the first LEED-certified market in the U.S., recently opened on Ionia Street south of Wealthy. There is a year-round Indoor Market in the Market Hall, open daily, and an Outdoor Market, closed during the winter. The Market Hall also includes a teaching kitchen, incubator kitchen, and rooftop greenhouses.

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MAP 7: DOWNTOWN

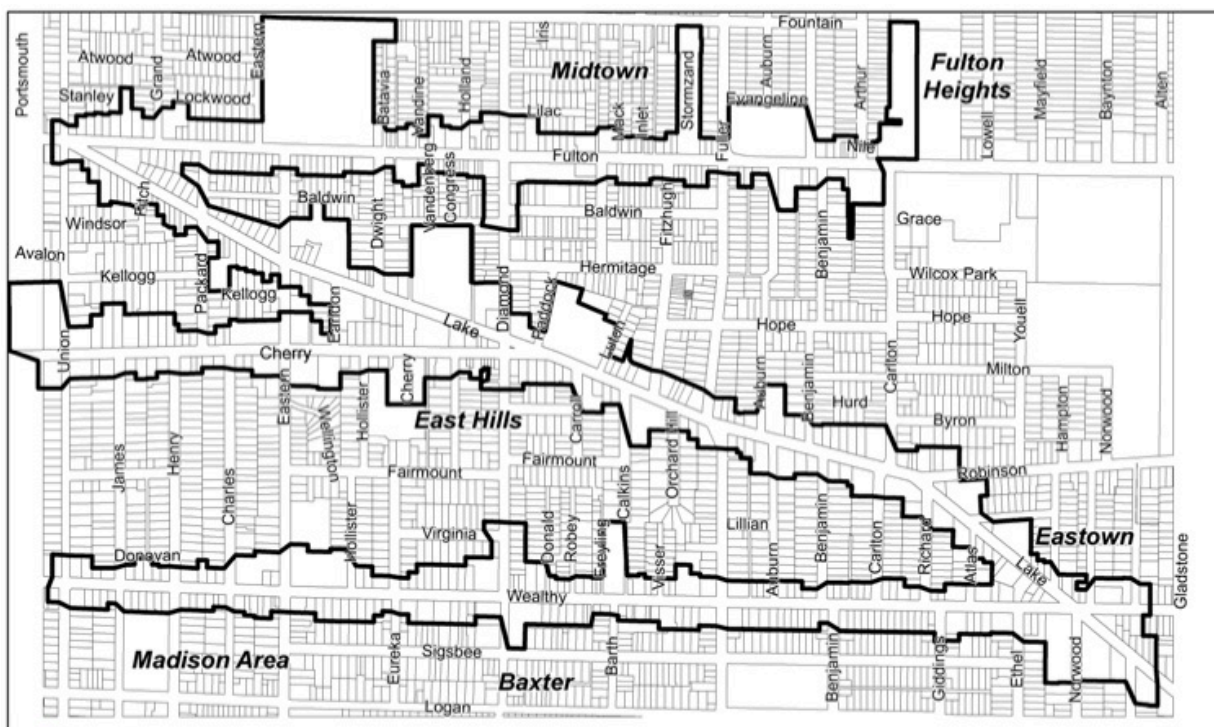
- **Connectivity.** The streets within the core Downtown comprise a fairly regular street grid, although there are a number of one-way pairs and one-way streets. The Downtown is easily accessible by automobile and bus from both inside and outside the city. A master-planning process is currently underway to address connectivity issues in both the Downtown and along the riverfront.
- **Housing Choice.** The housing choices available to residents of the core Downtown include apartments above retail, and a variety of lofts, apartments and condominiums in redeveloped older buildings and new construction towers. The principal housing issue is capacity; there is clearly far greater demand for Downtown housing than there currently are units. The median housing value in the area exceeds \$170,800, and homeowners occupy just 17 percent of all Downtown housing units.  
Numerous new residential and/or mixed-use projects are proposed or under way, including Orion Construction's Arena Place, a 376,000-square-foot mixed-use project with 100 market-rate apartments under construction; Brookstone Capital's 20 Fulton East, to contain 100 mixed-income units; Orion Construction's proposed Venue Tower at The BOB, to contain 104 market-rate apartments and 16 condominiums; 616 Development is converting the Sackner Products Plant at 820 Monroe into 82 market-rate lofts; Mike Jacobson is converting the Klingman Furniture Building into 83 income-restricted lofts; and Rockford Construction is renovating the historic Morton Hotel into 100 market-rate apartments.
- **Transportation Choice.** Downtown is the hub from which multiple bus routes link city and county residents with the core of the city. For the pedestrian, the sidewalks are comfortably wide in the Downtown core, and intersections with cross streets are clearly defined. Several demarcated bicycle routes are located throughout the Downtown. The Amtrak train station is located in Downtown.
- **Open Spaces.** Several parks are located in the Downtown. These include Crescent Park, a one-acre park in close proximity to Spectrum Hospital established in 1858; Monument Park and Veterans Memorial Park, two adjacent parks next to the Grand Rapids Children's Museum; Heartside Park, a four-acre park that contains a



- playground, picnic areas, and basketball courts; and Rosa Parks Circle, designed by Maya Lin, which, at its heart, is the Ecliptic, a 13,000-square-foot amphitheater which becomes an ice skating rink during the winter. The Ah-Nab-Awen Park was formerly the site of a Native American village, and its name means Resting Place. The 6.5-acre park is situated along the banks of the Grand River adjacent to the Gerald R. Ford Presidential Museum.
- **Public Realm.** The Downtown is at the heart of the city's continuous street grid, although, as in most cities, there are several open parking lots that detract from the pedestrian experience. Public art is an integral part of the Downtown's public realm. The most famous Downtown sculpture is the Alexander Calder work "La Grande Vitesse" on Ottawa Street; Calder Plaza is also home to the Motu Viget sculpture by Mark di Suvero. The Soldier's Monument sculpture to commemorate Civil War soldier was erected in Monument Park in 1885, complementing the granite Memorial Pillars sculpture in Veterans Memorial Park. The south wall of the Civic Auditorium is enhanced by reliefs created in 1932.
  - **Preservation.** Several areas in the Downtown are historic districts, including the entire Heritage Hill neighborhood, and a significant portion of the Heartside neighborhood, from Fulton Street south to Wealthy Street. The Ledyard Block of Monroe Center is also a historic district. Many older buildings and warehouses have been converted to residential and commercial uses, although, as in most U.S. cities, Downtown Grand Rapids has lost a number of its original buildings.

—Uptown—

The Uptown area is home to four neighborhood business districts: East Fulton, East Hills, Easttown and Wealthy Street, which encompass both residential and commercial areas along Fulton, Lake, Cherry, Diamond and Wealthy Streets. (*Reference Map 8, Uptown.*) In 2009, the area was the first to be approved for a Corridor Improvement District; Uptown also has in place the only Business Improvement District (BID) in the city, where 255 non-residential properties are assessed based on street frontage. Two Neighborhood Enterprise Zones, Wealthy Heights and Easttown Flats, are also located in Uptown.



MAP 8: UPTOWN

East Fulton is the location of Common Ground Coffee, Curry Kitchen, Little Africa restaurant and Van's Pastry Shoppe, antique shops, and numerous small businesses ranging from automotive repair shops, to barber shops and hair salons. Opera Grand Rapids has its offices on East Fulton Street. The Fulton Street Farmers Market, the oldest and largest farmers' market in Grand Rapids, showcases more than 200 different vendors every Tuesday, Wednesday, Friday

and Saturday from the beginning of May to the end of December, and on Saturdays only from January through April. An average of 11,000 shoppers visit the market on a typical weekend. The ARTisans Market is a recent addition, open only on Sundays and featuring juried goods sold by the artists who made them. The Congress Elementary School is located on Lake Drive between Fulton and Cherry Streets.

East Hills is home to eateries ranging from Brewery Vivant, the Pickwick Tavern, and the Green Well Gastro Pub to the Furniture City Creamery and the Cherry Deli and Catering, among others. East Hills also has antique shops and galleries, as well as a variety of boutiques, clothing stores, and a florist. The Ambrosia Theater is located on Lake Drive in East Hills.

Easttown has numerous restaurants serving a variety of international cuisines, several bars and cafés, the Harmony Brewing Company, the Hookah Lounge, as well as franchises of Subway, Jimmy John's, Papa Johns, Pizza Hut and Domino's Pizza. Retailers include bookstores, bakeries, a CVS pharmacy, antique shops, and shoe, clothing and jewelry stores. The area is also home to salons and spas, financial services and real estate offices, and organizations offering personal services.

Wealthy Street is lined with a variety of eateries, from Jonny B's Dogs and More, to Elk Brewing, as well as pizzerias, bakeries, an ice cream parlor, and a coffee shop, as well as beauty salons, banks, law firms, yoga studios and a Family Dollar. The reopening of the Wealthy Theatre in 1999 became a catalyst for revitalization along the corridor.

- **Connectivity.** The regular street grid found throughout much of the city is interrupted in Uptown by Lake Drive, which crosses the area diagonally from Fulton to Wealthy Street and is used by nearly 19,000 cars per day. Wealthy and Fulton Streets are major east-west thoroughfares traversing much of the city. Fulton Street carries approximately 16,000 automobiles per day, and 6,300 cars use Wealthy Street and 7,500 cars travel Cherry Street daily.
- **Housing Choice.** The Uptown area contains the most diversified housing stock in the Target Market Study Area. Single-family detached units comprise just 41 percent

of all units, 22.5 percent are two-family or rowhouses, and the remaining third are multi-family units in buildings at a variety of scales. The median housing value in the area is almost \$154,000, and 39 percent of all Uptown housing units are owner-occupied.

The 834 Lake Drive Apartments were recently developed in the historic Bethel Church. The project included one- and two-bedroom mixed-income apartments in the church and in a two-floor addition. Cherry Street Capital is proposing to develop 17 condominiums in the expanded Project Rehab building at the corner of Cherry Street and Eastern Avenue, and will also construct five new infill buildings containing 33 market-rate apartments.

- **Transportation Choice.** Four bus routes link Uptown to Downtown and other parts of the city and county: Number 14 East Fulton, Number 6 Eastown/Woodland, Number 5 Wealthy/Woodland and Number 9 Michigan/Fuller South. Some of the sidewalks are narrow, but the multiplicity of uses lining the streets makes walking throughout the area a pleasant experience.
- **Open Spaces.** Several small parks are located throughout the Uptown area. A small park, Wilcox Park, is located in Eastown; the Baldwin mini-park is located on Fulton Street; and Hosken Park is on Lake Drive. The Fulton Street Cemetery is the largest open space in Uptown.
- **Public Realm.** The Uptown Business Improvement District (BID) pays for streetscape enhancements, such as bicycle racks, flowers, mulch, and unique signage which serves to identify the area as well as enhance the public realm. Many of the streets are cobbled, slowing traffic, and further improving the pedestrian experience.
- **Preservation.** Uptown has become a model for urban revival and it is now one of the most vibrant and appealing neighborhoods in Grand Rapids. An organization called the South East Economic Development was formed in the 1990s to save the Wealthy Theatre, as well as historic preservation along the Uptown commercial corridors.

—Southwest—

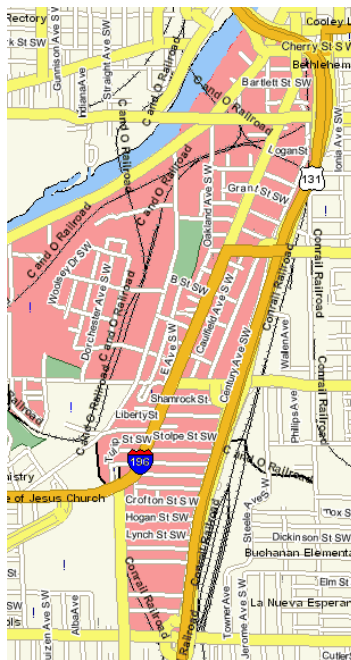
Southwest contains the Grandville Avenue neighborhood business district—located south of Wealthy Street between U.S. 131 and railroad tracks and the Grand River—an emerging corridor that is becoming the focus of significant development activity. (*Reference Map 9, Southwest.*)

The neighborhood is now predominantly first and second generation Hispanic/Latino immigrants. The Founders Brewing Company has located on Grandville Avenue, north of Wealthy Street, just outside the business district, and there are a few eateries scattered along the corridor. There are several supermarkets in the area, including the Rodriguez Supermarket, La Tapatia Supermarket, the National Supermarket and La Familia Stop-N-Shop. A Family Dollar is located across from the Rodriguez Supermarket

The Cesar Chavez Elementary School is a neighborhood school that provides a Transitional Bilingual Program and English as a Second Language to the 80 percent of its students where Spanish is the language spoken at home.

The Cook Library Center and Cook Arts Center are part of the Grandville Avenue Arts and Humanities and are designed to provide after-school educational and arts programs for children of the neighborhood, and computer and arts classes for adults.

Other significant institutions in the business district include the Hispanic Center of Western Michigan and Clinica Santa Maria, both located on Grandville Avenue.



MAP 9: SOUTHWEST

- **Connectivity.** Although, geographically, within the Target Market Study Area, Grandville Avenue is an isolated arterial lying between U.S. 131 and the Grand River, it is also designated BS I-196, a business spur of the interstate. Only Franklin and Hall Streets provide access across U.S. 131 to eastern Grand Rapids. Other than Wealthy Street to the north, there is no street that connects the area to the city west of the Grand River.
- **Housing Choice.** Many of the existing single-family residential units are on the blocks wedged between Grandville Avenue and Century Avenue/U.S. 131. Single-family and two-family houses comprise more than 82 percent of the housing stock; these are primarily three-bedroom units with one or one-and-a-half baths. The median housing value is just under \$69,300, the lowest in the Target Market Study Area. Over 47 percent of the households in Grandville own their homes. Habitat for Humanity of Kent County has built a number of new houses in the area; this is a primary focus area for Habitat.

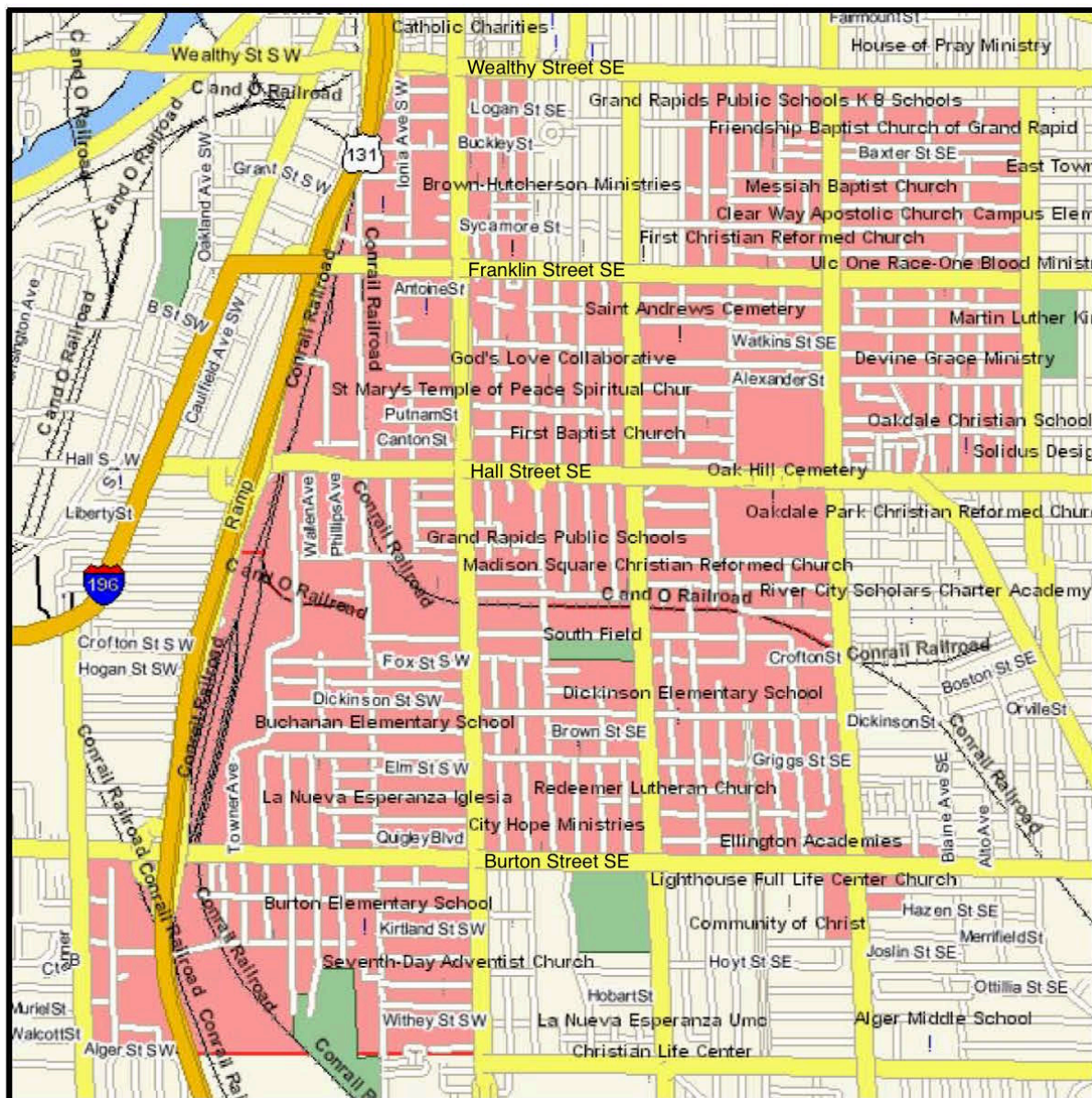
- **Transportation Choice.** The Rapid Central Station transit facility is located east of Grandville Avenue north of Wealthy Street, providing access to all the bus lines in the city. The Numbers 8 (Grandville to Rivertown), 10 (Grandville Avenue to Clyde Park) and 16 (Grandville Avenue to Metropolitan Health Village in Wyoming) bus routes provide frequent service in the neighborhood and along the Avenue. There is significant truck traffic along the corridor, traveling to and from the industrial area at the northern end, detracting from the pedestrian experience. More than 7,800 cars and trucks travel the avenue every day.
- **Open Spaces.** Three sizable open spaces are located in the area. Roberto Clemente Park in the Roosevelt Neighborhood maintains and operates a community garden, which will be expanded along with the development of a skate park. Kensington (or Coit) Park is a neighborhood park, containing a playground, ball diamond, basketball court, picnic tables and a sledding hill. The eight-acre Roosevelt Park, established in 1923, provides a playground, fitness center and a basketball program.
- **Public Realm.** The public realm is emerging as redevelopment occurs. Part of this area's appeal is that it is an emerging multicultural neighborhood with ethnic restaurants and shops, in contrast with the more conventional urban neighborhoods that surround Downtown.
- **Preservation.** Many of the buildings in the district are active or partially active industrial buildings. Most of the commercial buildings along Grandville Avenue are low-value one-story buildings that serve their purpose of providing inexpensive commercial space. A few attractive buildings have been converted to residential.

—Southeast (Southtown)—

The Southeast area (encompassing Southtown) is comprised of several emerging neighborhood business corridors: Division South, Franklin/Eastern, Madison Square, Boston Square and part of Burton Heights. (*Reference Map 10, Southeast.*) The Southtown designation does not cover Burton Heights, but does include Oakdale/Eastern. In 2009, Madison Square was the first neighborhood business corridor in the city to become a Corridor Improvement District.

The Division South neighborhood business corridor runs from Wealthy Street to Hall Street. South of Wealthy Street, Division Avenue accommodates nearly 15,600 cars and trucks per day. The avenue is a wide, multi-lane arterial, and the new Silver Line (Bus Rapid Transit) runs along Division all the way into the county. Large-scale and automobile-oriented uses line Division, including gas stations, the Van Eerden Foodservice Company, Family Dollar, fast-food outlets (Burger King, New York Fried Chicken, Domino's Pizza and the Chicken Coop), churches and educational institutions (Grand Rapids University Prep Academy, the Covenant House Academy, formerly the Campau Park Elementary School, and Great Lakes EMS Academy), as well as parking lots and empty lots. The Fair Housing Center of West Michigan is located on Hall near Division.





MAP 10: SOUTHEAST

The Franklin/Eastern neighborhood business corridor extends from just below Wealthy Street south along Eastern Avenue to Hall Street, and along Franklin Street from Union Street in the west to just beyond Fuller Avenue in the east. Over 17,250 vehicles use Franklin Street daily, and approximately 9,000 vehicles travel Eastern south of Wealthy Street. Traffic rises to over

16,000 on Eastern between Franklin and Hall. With the exception of the two arterials that give the business corridor its name, most of the area is characterized by single-family residential. Several churches are scattered throughout the neighborhood, and the Baxter Community Center is located on Baxter Street adjacent to Joe Taylor Park. The non-residential and non-religious uses along Eastern Avenue include Sam's Supermarket and Cellular Store at the intersection with Sherman Street, and the small retail node at the intersection of Franklin and Eastern, where a Fifth Third Bank, Metro PCS, a BP gas station and the Harvest Church occupy the four corners of the intersection. The Urban League has offices next to the Harvest Church. There are a number of vacant buildings and lots that could represent potential development areas.

The Madison Square neighborhood business corridor lies between Franklin and Burton streets to the north and south, and U.S. 131 and Eastern Avenue to the west and east. (*Reference Map 11, Madison Square CID.*) There is considerable overlap in this area with Division South and Franklin/Eastern to the north, and Burton Heights to the south. The Commercial Improvement District is limited to the intersection of Madison and Hall Streets, extending along Hall Street to Jefferson Avenue in the west and Eastern Avenue in the east, and south along Madison to Garden Street. More than 13,800 vehicles travel Madison Avenue every day in the Study Area, and 11,800 vehicles use Hall Street daily. At the intersection of Madison and Hall are the offices of LINC Community Revitalization, Inc (LINC), the Madison Square branch of the Grand Rapids Public Library, Duthler's Family Foods and its parking lot, and a small office building occupied by an insurance company. A new 24-unit mixed-use building is located at 413 Hall Street. Madison Avenue north of the intersection is lined with a mix of very attractive restored and newly-constructed single-family houses that have been enhanced with new sidewalks and tree plantings. South of the intersection, banners denote the area as Southtown; several new townhouses enfront the avenue across from small retailers and the New China restaurant. A mix of small commercial buildings and residential dwellings lie along Hall Street east and west of the intersection. Southeast Career Pathways, a small alternative high school, is located at the intersection of Jefferson Avenue and Garden Street, and the Dickinson Elementary School, Hope Academy and the St. Francis Xavier School are located south of the railroad tracks. The

Gerald R. Ford Academic Center, built in 2007 and situated at 851 Madison Avenue, is a theme school of the Grand Rapids Public Schools offering preschool to 8th grade.



MAP 11: MADISON SQUARE CID

Burton Heights includes the area between U.S. 131 on the west and Madison Avenue on the east, between the railroad tracks in the north and 28<sup>th</sup> Street in the south. Part of the Burton Heights neighborhood business corridor area overlaps with Madison Square. More than 20,000 vehicles travel Burton Street daily, and in this part of the Study Area, Division carries almost 15,600 vehicles. Several Mexican bakeries and restaurants are located along South Division in this area; grocery stores include the Rodriguez Supermarket, the Burton Heights Foodland and Tienda La Nueva Esperanza. A Family Dollar is on South Division at Andre Street. The Salvation Army Kroc Center and Kroc Center Campus is bordered by the Plaster Creek and the Brookside Elementary School. There is a large industrial area in the northwest part of Burton

Heights, and along the railroad tracks bordering U.S. 131. There are numerous Latino-oriented small businesses scattered throughout the area.

- **Connectivity.** Like much of the core of the City of Grand Rapids, the Southeast area also contains a regular grid of streets. The Madison Square area is interrupted by railroad tracks that cross the area diagonally. Division Avenue, Madison Avenue, and Eastern Avenue are the principal north-south thoroughfares, and Franklin Street, Hall Street, and Burton Street are the principal east-west thoroughfares in this part of the Target Market Study Area.
- **Housing Choice.** The Southeast area has the highest percentage of single-family houses, 69.4 percent, in the Target Market Study Area, and another 17.2 percent are two-family houses. Almost 18 percent of all dwelling units in the area are vacant, the highest percentage in the Target Market Study Area. The median housing value is just over \$77,100, second lowest in the Target Market Study Area. Over 51 percent of the households in the Southeast are renters. Most of the new construction has been affordable rental units.

LINC Community Revitalization, the Inner City Christian Federation (ICCF), and Dwelling Place, three non-profit developers, have been active in the Southeast area, providing a variety of affordable housing options.

- **Transportation Choice.** As noted above, the new Silver Line (Bus Rapid Transit) runs along Division Avenue all the way into the county. In addition, the Number 3 (Madison) runs along Madison to south of 28<sup>th</sup> Street, the Number 4 (Eastern) follows Eastern Avenue to just south of the city line. Two east-west bus routes cross the area: the Number 24 (Burton Street Crosstown) and Number 28 (28<sup>th</sup> Street Crosstown). Sidewalks line the streets throughout the area.
- **Open Spaces.** Several parks are located in the area: Campau Park, a seven-acre-plus park adjacent to the Covenant House Academy, formerly the Campau Park Elementary School; Joe Taylor Park in the Baxter neighborhood, formerly called Baxter Green, was renamed after a city police officer who was shot and killed in 1986—the two-acre park has a playground, a water playground, picnic tables and

grills; Pleasant Park, a 2.4-acre park that opened in 2014, the site of a former city-owned parking lot, has a playground and a small sledding hill; Alexander Park, a half-acre mini-park with picnic tables and a playground; Dickinson Buffer Park, a mini-park with a basketball court, playground and picnic tables; the Martin Luther King Junior Park, an extensive 17-acre park containing a ball diamond, grills, picnic tables, tennis courts, basketball courts, a fitness center, playground, swimming pool and an orchard; Oakdale Gardens, a one-acre park adjacent to the former Oakdale Elementary School, established in 2012 and dedicated in the spring of 2013—it contains a playground, half basketball court and a community garden; Burton Woods, a six-acre natural area next to Garfield Park; Garfield Park, a nearly 30-acre park, originally established in 1906, with multiple amenities, including a playground, ball diamond, three tennis courts, basketball court, grills and picnic tables, and a sand volleyball court; and Plaster Creek Family Park, a 34.5-acre park established in 1923, containing a ball diamond, playground, tennis courts and a picnic shelter. The Madison Square Park, a one acre mini-park located in the Madison business corridor, has been proposed. The Oakhill Cemetery on Hall Street, although not a park, provides a significant open space.

- **Public Realm.** The public realm in the Southeast ranges from excellent to poor. Most of the wider streets and avenues have sidewalks, but are not pedestrian-friendly due to the number of vacant buildings and lots.
- **Preservation.** Most of the buildings in this part of the Study Area are residential, in varying condition. Many of the more architecturally significant houses have been renovated by non-profit organizations such as ICCF, with rehabilitated units sold or rented to low-income households. A large number have also been demolished.

#### OPTIMUM MARKET POSITION

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As noted above under ANNUAL MARKET POTENTIAL FOR THE TARGET MARKET STUDY AREA, the rents and price points for new market-rate housing units that could be developed in the Target Market Study Area are derived from the income and financial capabilities of those target households with incomes at or above 80 percent of AMI. Households with incomes below that threshold are subject to income qualifications; the market position (unit sizes and prices) of income-qualified units is determined by the finance and subsidy programs utilized.

The number of households falling within the specified rent ranges detailed on the tables that follow was determined by calculating a monthly rental payment—excluding utilities and not exceeding 25 percent of annual gross income—for each of the 2,650 households that represent the annual potential market for new market-rate rental units market, and for each of the 1,120 households with incomes between 30 percent and 80 percent AMI. It is likely that many younger households will pay up to 40 percent of annual gross incomes in rent.

#### —RENTAL DISTRIBUTION BY RENT RANGE: MULTI-FAMILY FOR-RENT—

Up to 2,650 households with incomes above 80 percent of the AMI represent the target markets for newly-constructed *market-rate* rental housing units in the Target Market Study Area (*as shown on* Table 11). The distribution by rent range of the rents those 2,650 households could support is summarized on the table on the following page:

**Distribution by Rent Range**  
**Target Groups for New Multi-Family For Rent**  
**Households with Incomes At or Above 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

MONTHLY RENT RANGE	UNITS PER YEAR	PERCENTAGE
\$500–\$750	160	6.0%
\$750–\$1,000	530	20.0%
\$1,000–\$1,250	650	24.6%
\$1,250–\$1,500	525	19.8%
\$1,500–\$1,750	385	14.5%
\$1,750–\$2,000	235	8.9%
\$2,000 and up	<u>165</u>	<u>6.2%</u>
Total:	2,650	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

- The largest group of renters are younger singles and couples at nearly 79 percent of the market for new market-rate rental units in the Target Market Study Area. Over 26 percent could only afford rents below \$1,000 per month; almost 58 percent of these households represent the market for units with rents between \$1,000 and \$1,750 per month; and the remaining 15.8 percent could afford rents above \$1,750 per month.
- Empty nesters and retirees represent 13 percent of the market for new market-rate rental units. The largest segment of the empty nester and retiree market, over 68 percent, can afford rents between \$1,000 and \$1,750 per month. Almost 16 percent of this market segment are able to afford rents above \$1,750 per month and another 16 percent represent the market for new units with rents below \$1,000 per month.
- Traditional and non-traditional families comprise just over eight percent of the market for new market-rate rental units. The largest segment of the family market, over 54.5 percent, can afford rents between \$1,000 and \$1,750 per month; less than seven percent can afford rents above \$1,750 per month, and 38.6 percent require rents of less than \$1,000 per month.

**Target Groups For New Multi-Family For Rent**  
***The Target Market Study Area\****  
*City of Grand Rapids, Kent County, Michigan*

. . . . . Number of Households . . . . .

<b>Empty Nesters &amp; Retirees**</b>	<i>30% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
Old Money	0	5	5	0.1%
Urban Establishment	0	35	35	0.9%
Small-Town Establishment	0	15	15	0.4%
Cosmopolitan Elite	0	15	15	0.4%
Suburban Establishment	0	20	20	0.5%
New Empty Nesters	0	35	35	0.9%
Affluent Empty Nesters	0	25	25	0.7%
Cosmopolitan Couples	0	20	20	0.5%
RV Retirees	5	15	20	0.5%
Blue-Collar Empty Nesters	15	10	25	0.7%
Middle-Class Move-Downs	10	25	35	0.9%
Mainstream Retirees	10	15	25	0.7%
No-Nest Suburbanites	25	55	80	2.1%
Middle-American Retirees	10	20	30	0.8%
Multi-Ethnic Retirees	5	10	15	0.4%
Blue-Collar Retirees	5	5	10	0.3%
Suburban Retirees	10	0	10	0.3%
Suburban Seniors	15	10	25	0.7%
Multi-Ethnic Seniors	20	5	25	0.7%
Second City Seniors	20	5	25	0.7%
Subtotal:	150	345	495	13.1%

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

\*\* Predominantly one- and two-person households.

† For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$68,200.

SOURCE: The Neilsen Company;  
 Zimmerman/Volk Associates, Inc.



# Target Groups For New Multi-Family For Rent

## *The Target Market Study Area\**

*City of Grand Rapids, Kent County, Michigan*

..... Number of Households .....

<b>Traditional &amp; Non-Traditional Families††</b>	<i>30% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
Unibox Transferees	0	15	15	0.4%
Late-Nest Suburbanites	0	5	5	0.1%
Full-Nest Suburbanites	0	30	30	0.8%
Full-Nest Urbanites	5	40	45	1.2%
Multi-Ethnic Families	10	25	35	0.9%
Blue-Collar Button-Downs	20	20	40	1.1%
Multi-Cultural Families	30	50	80	2.1%
Working-Class Families	5	5	10	0.3%
In-Town Families	10	5	15	0.4%
Inner-City Families	25	25	50	1.3%
Single-Parent Families	20	0	20	0.5%
Subtotal:	125	220	345	9.2%
<b>Younger Singles &amp; Couples**</b>				
The Entrepreneurs	0	25	25	0.7%
e-Types	0	135	135	3.6%
The VIPs	0	50	50	1.3%
Fast-Track Professionals	0	20	20	0.5%
Upscale Suburban Couples	50	270	320	8.5%
New Bohemians	20	120	140	3.7%
Twentysomethings	25	95	120	3.2%
Suburban Achievers	115	385	500	13.3%
Small-City Singles	55	150	205	5.4%
Urban Achievers	190	510	700	18.6%
Blue-Collar Singles	20	20	40	1.1%
Working-Class Singles	225	235	460	12.2%
Soul City Singles	145	70	215	5.7%
Subtotal:	845	2,085	2,930	77.7%
<b>Total Households:</b>	<b>1,120</b>	<b>2,650</b>	<b>3,770</b>	<b>100.0%</b>
<b>Percent of Total:</b>	<b>29.7%</b>	<b>70.3%</b>	<b>100.0%</b>	

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

\*\* Predominantly one- and two-person households.

† For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$68,200.

†† Predominantly three -to five-person households.

SOURCE: The Neilsen Company;  
Zimmerman/Volk Associates, Inc.

A total of 1,120 households with incomes between 30 and 80 percent of the AMI represent the target markets for newly-constructed *affordable/workforce* rental housing units in the Target Market Study Area (*see again* Table 11). The distribution by rent range of the rents those 1,120 households could support would be summarized as follows:

**Distribution by Rent Range**  
**Target Groups for New Multi-Family For Rent**  
**Households with Incomes Between 30 Percent and 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

MONTHLY RENT RANGE	UNITS PER YEAR	PERCENTAGE
\$400–\$500	295	26.3%
\$500–\$600	325	29.0%
\$600–\$700	210	18.8%
\$700–\$800	130	11.6%
\$800–\$900	90	8.0%
\$900–\$1,000	<u>70</u>	<u>6.3%</u>
Total:	1,120	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

- At a 75.4 percent share, younger singles and couples represent the largest market for newly-constructed *affordable/workforce* rental units in the Target Market Study Area. Slightly over 11 percent would be able to afford rents between \$800 and \$1,000 per month, approximately 27 percent would represent the market for units with rents between \$600 and \$800 per month; and, the majority, over 61 percent, would require rents below \$600 per month.
- Empty nesters and retirees comprise just under 13.4 percent of the market for newly-constructed *affordable/workforce* rental units in the Target Market Study Area. Twenty percent would be able to afford rents between \$800 and \$1,000 per month, approximately 43 percent would represent the market for units with rents between \$600 and \$800 per month; and nearly 37 percent would require rents below \$600 per month.

- Traditional and non-traditional families make up just over 11 percent of the market for newly-constructed affordable/workforce rental units. Up to 28 percent of the family market can afford rents of between \$800 and \$1,000 per month; 36 percent can afford rents can afford rents between \$600 and \$800 per month, and the remaining 36 percent would require rents below \$600 per month.

—FOR-SALE DISTRIBUTION BY PRICE RANGE: MULTI-FAMILY FOR-SALE—

For the for-sale distribution of condominiums, townhouses, and single-family detached houses, the number of households by price range was determined by assuming a down payment (subsidized or otherwise) of 20 percent and then calculating monthly mortgage payments, including taxes and utilities, that would not exceed 30 percent of the annual gross income of the target households.

The realization of the full market potential for ownership units may continue to be challenging over the short-term, given restrictive development financing and mortgage underwriting by financial institutions, the disinterest of some younger households in becoming owners, the fact that many otherwise-qualified households, particularly current renters, lack the funds for a down payment, and the inability of many owner households to sell their existing single-family units even at reduced prices, or their reluctance to sell at a perceived loss of value.

A total of 825 households with incomes above 80 percent of the AMI represent the target markets for newly-constructed *market-rate* multi-family for-sale (condominium) housing units in the Target Market Study Area (*as shown on* Table 12). The distribution by price range of the prices those 825 households could support is summarized on the table following this page:

**Distribution by Price Range**  
**Target Groups for New Multi-Family For Sale**  
**Households with Incomes At or Above 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$100,000–\$150,000	55	6.7%
\$150,000–\$200,000	130	15.8%
\$200,000–\$250,000	180	21.7%
\$250,000–\$300,000	165	20.0%
\$300,000–\$350,000	145	17.6%
\$350,000–\$400,000	105	12.7%
\$400,000 and up	<u>45</u>	<u>5.5%</u>
Total:	825	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

- Just under two-thirds of the market for new multi-family for-sale units (condominiums) are younger singles and couples. Up to 22 percent would be able to purchase new condominiums with base prices at or above \$350,000, but the bulk of the market, 54.1 percent, have the financial capacity to purchase condominiums between \$200,000 and \$350,000. Nearly 24 percent are younger households who would only be able to afford a unit priced below \$200,000.
- The next largest group, empty nesters and retirees, comprises over 29 percent of the market for this housing type. Nearly 73 percent of the empty nester and retiree market would be in the market for new condominiums with base prices between \$200,000 and \$350,000. Up to 12.5 percent of them could afford new units priced above \$350,000, and the remaining 14.6 percent would be financially limited to condominium units priced below \$200,000.
- The family market—predominantly non-traditional families—represents less than five percent of the market for new market-rate multi-family for-sale units; half would be in the market for new condominiums with base prices between \$200,000 and \$350,000, and half could only afford units priced below \$350,000.

**Target Groups For New Multi-Family For Sale**  
***The Target Market Study Area\****  
*City of Grand Rapids, Kent County, Michigan*

..... Number of Households .....				
<b>Empty Nesters &amp; Retirees**</b>	<i>30% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
Old Money	0	5	5	0.5%
Urban Establishment	0	25	25	2.3%
Small-Town Establishment	0	10	10	0.9%
Cosmopolitan Elite	0	5	5	0.5%
Suburban Establishment	0	20	20	1.9%
New Empty Nesters	0	20	20	1.9%
Affluent Empty Nesters	0	25	25	2.3%
Cosmopolitan Couples	0	15	15	1.4%
RV Retirees	0	15	15	1.4%
Blue-Collar Empty Nesters	5	5	10	0.9%
Middle-Class Move-Downs	5	15	20	1.9%
Mainstream Retirees	5	15	20	1.9%
No-Nest Suburbanites	10	40	50	4.7%
Middle-American Retirees	10	10	20	1.9%
Multi-Ethnic Retirees	0	10	10	0.9%
Blue-Collar Retirees	0	5	5	0.5%
Suburban Retirees	10	0	10	0.9%
Downtown Retirees	5	0	5	0.5%
Multi-Ethnic Seniors	5	0	5	0.5%
Second City Seniors	5	0	5	0.5%
Subtotal:	60	240	300	28.2%
<b>Traditional &amp; Non-Traditional Families††</b>				
Full-Nest Suburbanites	0	5	5	0.5%
Full-Nest Urbanites	0	10	10	0.9%
Multi-Ethnic Families	0	5	5	0.5%
Blue-Collar Button-Downs	0	10	10	0.9%
Multi-Cultural Families	5	10	15	1.4%
Inner-City Families	5	0	5	0.5%
Subtotal:	10	40	50	4.7%

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

\*\* Predominantly one- and two-person households.

† For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$68,200.

†† Predominantly three -to five-person households.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

**Target Groups For New Multi-Family For Sale**  
***The Target Market Study Area\****  
*City of Grand Rapids, Kent County, Michigan*

..... Number of Households .....

<b>Younger Singles &amp; Couples**</b>	<i>30% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
The Entrepreneurs	0	25	25	2.3%
e-Types	0	55	55	5.2%
The VIPs	0	25	25	2.3%
Fast-Track Professionals	0	10	10	0.9%
Upscale Suburban Couples	25	140	165	15.5%
New Bohemians	5	20	25	2.3%
Twentysomethings	10	25	35	3.3%
Suburban Achievers	25	85	110	10.3%
Urban Achievers	35	95	130	12.2%
Small-City Singles	15	35	50	4.7%
Working-Class Singles	40	20	60	5.6%
Blue-Collar Singles	5	5	10	0.9%
Soul City Singles	10	5	15	1.4%
Subtotal:	170	545	715	67.1%
<b>Total Households:</b>	<b>240</b>	<b>825</b>	<b>1,065</b>	<b>100.0%</b>
<b>Percent of Total:</b>	<b>22.5%</b>	<b>77.5%</b>	<b>100.0%</b>	

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

\*\* Predominantly one- and two-person households.

† For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$68,200.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

Just 240 households with incomes between 30 percent and 80 percent of the AMI represent the target markets for newly-constructed *affordable/workforce* multi-family for-sale (condominium) housing units in the Target Market Study Area (*see again* Table 12). For these units, the assumption is that a 20 percent down payment would be subsidized. The distribution by price range of the prices those 240 households could support is therefore summarized as follows:

**Distribution by Price Range**  
**Target Groups for New Multi-Family For Sale**  
**Households with Incomes Between 30 Percent and 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$85,000–\$100,000	35	14.6%
\$100,000–\$115,000	35	14.6%
\$115,000–\$130,000	45	18.8%
\$130,000–\$145,000	55	22.8%
\$145,000–\$160,000	35	14.6%
\$160,000–\$175,000	<u>35</u>	<u>14.6%</u>
Total:	240	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

- Younger singles and couples are also the largest segment of the market for newly-constructed affordable/workforce multi-family for-sale units (condominiums), at just under 71 percent of the market. Approximately 23.5 percent of the market could only afford to purchase new condominiums priced between \$85,000 and \$115,000. The majority, or 53 percent, would be able to afford new units priced between \$115,000 and \$145,000. The remaining 23.5 percent could afford new condominiums priced between \$145,000 and \$175,000.
- The next largest group, empty nesters and retirees, comprises 25 percent of the market for newly-constructed affordable/workforce condominiums. Nearly 42 percent of this segment would be limited to new affordable/workforce condominiums with base prices between \$85,000 and \$115,000, 8.3 percent could afford new units priced between \$115,000 and \$145,000, and half could afford new condominium units priced between \$145,000 and \$175,000.

- Family households—predominantly non-traditional families—represent only 4.2 percent of the market for newly-constructed affordable/workforce multi-family for-sale units. Half of these households could only afford newly-constructed condominium units priced between \$85,000 and \$115,000, and the other half could purchase newly-constructed condominium units priced between \$115,000 and \$145,000.

—FOR-SALE DISTRIBUTION BY PRICE RANGE: SINGLE-FAMILY ATTACHED FOR-SALE—

The market for new market-rate townhouses in the Target Market Study Area is slightly larger than the market for new condominiums, because, as a housing type, they are generally sold as fee-simple rather than condominium ownership units, making them somewhat easier for the consumer to finance.

A total of 900 households with incomes above 80 percent of the AMI represent the target markets for newly-constructed *market-rate* single-family attached for-sale (townhouse) housing units in the Target Market Study Area (*as shown on* Table 13). The distribution by price range of the prices those 900 households could support is summarized as follows:

**Distribution by Price Range**  
**Target Groups for New Single-Family Attached For Sale**  
**Households with Incomes At or Above 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$100,000–\$150,000	115	12.8%
\$150,000–\$200,000	200	22.2%
\$200,000–\$250,000	220	24.4%
\$250,000–\$300,000	140	15.6%
\$300,000–\$350,000	125	13.9%
\$350,000–\$400,000	65	7.2%
\$400,000 and up	<u>35</u>	<u>3.9%</u>
Total:	900	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.



**Target Groups For New Single-Family Attached For Sale**  
***The Target Market Study Area\****  
*City of Grand Rapids, Kent County, Michigan*

..... Number of Households .....

<b>Empty Nesters &amp; Retirees**</b>	<i>30% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
Old Money	0	5	5	0.4%
Urban Establishment	0	25	25	2.0%
Small-Town Establishment	0	15	15	1.2%
Cosmopolitan Elite	0	5	5	0.4%
Suburban Establishment	5	20	25	2.0%
New Empty Nesters	5	25	30	2.4%
Affluent Empty Nesters	5	25	30	2.4%
Cosmopolitan Couples	5	10	15	1.2%
RV Retirees	5	15	20	1.6%
Blue-Collar Empty Nesters	10	10	20	1.6%
Middle-Class Move-Downs	10	20	30	2.4%
Mainstream Retirees	5	15	20	1.6%
No-Nest Suburbanites	20	55	75	6.0%
Middle-American Retirees	10	15	25	2.0%
Multi-Ethnic Retirees	5	5	10	0.8%
Blue-Collar Retirees	0	5	5	0.4%
Suburban Retirees	10	5	15	1.2%
Downtown Retirees	5	0	5	0.4%
Multi-Ethnic Seniors	5	0	5	0.4%
Second-City Seniors	5	0	5	0.4%
Subtotal:	110	275	385	30.9%

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

\*\* Predominantly one- and two-person households.

† For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$68,200.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

# Target Groups For New Single-Family Attached For Sale

## *The Target Market Study Area\**

*City of Grand Rapids, Kent County, Michigan*

..... Number of Households .....

<b>Traditional &amp; Non-Traditional Families††</b>	<i>30% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
Unibox Transferees	0	5	5	0.4%
Late-Nest Suburbanites	0	5	5	0.4%
Full-Nest Suburbanites	0	10	10	0.8%
Full-Nest Urbanites	5	15	20	1.6%
Multi-Ethnic Families	5	5	10	0.8%
Blue-Collar Button-Downs	5	10	15	1.2%
Multi-Cultural Families	15	20	35	2.8%
Inner-City Families	5	0	5	0.4%
Single-Parent Families	5	0	5	0.4%
Subtotal:	40	70	110	8.8%
<b>Younger Singles &amp; Couples**</b>				
The Entrepreneurs	0	30	30	2.4%
e-Types	0	35	35	2.8%
The VIPs	0	30	30	2.4%
Fast-Track Professionals	0	10	10	0.8%
Upscale Suburban Couples	35	180	215	17.3%
New Bohemians	0	25	25	2.0%
Twentysomethings	10	30	40	3.2%
Suburban Achievers	30	90	120	9.6%
Small-City Singles	15	40	55	4.4%
Urban Achievers	30	70	100	8.0%
Blue-Collar Singles	10	5	15	1.2%
Soul City Singles	15	0	15	1.2%
Working-Class Singles	50	10	60	4.8%
Subtotal:	195	555	750	60.2%
<b>Total Households:</b>	<b>345</b>	<b>900</b>	<b>1,245</b>	<b>100.0%</b>
<b>Percent of Total:</b>	<b>27.7%</b>	<b>72.3%</b>	<b>100.0%</b>	

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

\*\* Predominantly one- and two-person households.

† For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$68,200.

†† Predominantly three -to five-person households.

SOURCE: The Nielsen Company;  
Zimmerman/Volk Associates, Inc.

- Younger singles and couples again comprise the largest market segment, in this case just under 62 percent of the market for new market-rate single-family attached for-sale units (townhouses). Just under 12 percent have the financial capacity to purchase a unit priced over \$350,000, and 42.3 percent would be able to purchase a new townhouse with base prices between \$200,000 and \$350,000. The largest segment of the market, nearly 46 percent, could only afford a new townhouse priced below \$200,000.
- Empty nesters and retirees represent 31 percent of the market for new market-rate townhouses, of which the preponderance of the market, over 78 percent, would be capable of purchasing new townhouses priced between \$300,000 and \$350,000. Another 10.9 percent would be in the market for units priced above \$350,000, and the remaining 10.9 percent could only afford townhouses priced below \$200,000.
- At less than eight percent, traditional and non-traditional families comprise the smallest segment of the market for new market-rate single-family attached for-sale units. Half of the family market would be in the market for new townhouses with base prices between \$200,000 and \$350,000. Slightly over seven percent have the financial capacity to purchase new townhouses with base prices of \$350,000 or more, whereas 42.9 percent would require units priced below \$200,000.

A total of 345 households with incomes between 30 percent and 80 percent of the AMI represent the target markets for newly-constructed *affordable/workforce* single-family attached for-sale (townhouse) housing units in the Target Market Study Area (*see again* Table 13). For these units, the assumption is that the 20 percent down payment would be subsidized. The distribution by price range of the prices those 345 households could support is summarized on the table following this page:

**Distribution by Price Range**  
**Target Groups for New Single-Family Attached For Sale**  
**Households with Incomes Between 30 Percent and 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$85,000–\$100,000	50	14.5%
\$100,000–\$115,000	55	15.9%
\$115,000–\$130,000	70	20.4%
\$130,000–\$145,000	60	17.4%
\$145,000–\$160,000	55	15.9%
\$160,000–\$175,000	<u>55</u>	<u>15.9%</u>
Total:	345	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

- Younger singles and couples are again the largest segment of the market for newly-constructed affordable/workforce single-family attached for-sale units (townhouses), at 56.5 percent of the market. One-third of this market could only afford to purchase newly-constructed townhouses priced between \$85,000 and \$115,000. Just under half would be able to afford new units priced between \$115,000 and \$145,000, and the remaining 18 percent could afford to purchase new townhouse units priced between \$145,000 and \$175,000.
- Empty nesters and retirees comprise just under 32 percent of the market for newly-constructed affordable/workforce rowhouses/townhouses. Over 54.5 percent of the empty nesters and retirees could afford new affordable townhouses with base prices between \$145,000 and \$175,000. The remaining 45.5 percent of this segment are evenly divided between older households who would be able to afford new units priced between \$115,000 and \$145,000, and those who could only afford new units priced between \$85,000 and \$115,000.
- Less than 12 percent of the market for newly-constructed affordable/workforce rowhouses/townhouses are family households. A quarter of the traditional and non-traditional families—again, predominantly non-traditional families—could afford newly-constructed townhouses priced between \$115,000 and \$145,000; another 37.5 percent could only purchase townhouses priced between \$85,000 and

\$115,000; and the remaining 37.5 percent are capable of purchasing new townhouses priced between \$145,000 and \$175,000.

—FOR-SALE DISTRIBUTION BY PRICE RANGE: SINGLE-FAMILY DETACHED FOR-SALE—

The market for new single-family detached houses, both market-rate and affordable, includes renovated and rehabilitated units as well as new construction. The ratio between new construction and rehabilitated units varies depending on size and location of the units and quality of the rehabilitation, but in general, two-thirds of the market would prefer new construction.

Up to 1,230 households that represent the target markets for new *market-rate* for-sale urban single-family detached houses in the Target Market Study Area have incomes above 80 percent of the AMI (*as shown on* Table 14). The distribution by price range of the prices those 1,230 households could support is summarized as follows::

**Distribution by Price Range**  
**Target Groups for New Urban Single-Family Detached For Sale**  
**Households with Incomes At or Above 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$100,000–\$150,000	300	24.4%
\$150,000–\$200,000	285	23.2%
\$200,000–\$250,000	275	22.4%
\$250,000–\$300,000	185	15.0%
\$300,000–\$350,000	100	8.1%
\$350,000–\$400,000	55	4.5%
\$400,000 and up	<u>30</u>	<u>2.4%</u>
Total:	1,230	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

**Target Groups For New Single-Family Detached For Sale**  
***The Target Market Study Area\****  
*City of Grand Rapids, Kent County, Michigan*

..... Number of Households .....

<b>Empty Nesters &amp; Retirees**</b>	<i>30% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
Old Money	0	10	10	0.6%
Urban Establishment	10	15	25	1.6%
Small-Town Establishment	0	45	45	2.9%
Cosmopolitan Elite	0	15	15	1.0%
Suburban Establishment	0	55	55	3.5%
New Empty Nesters	5	100	105	6.8%
Affluent Empty Nesters	5	55	60	3.9%
Cosmopolitan Couples	0	20	20	1.3%
RV Retirees	25	25	50	3.2%
Blue-Collar Empty Nesters	40	10	50	3.2%
Middle-Class Move-Downs	5	30	35	2.3%
Mainstream Retirees	5	20	25	1.6%
No-Nest Suburbanites	30	85	115	7.4%
Middle-American Retirees	0	40	40	2.6%
Multi-Ethnic Retirees	5	5	10	0.6%
Blue-Collar Retirees	10	0	10	0.6%
Suburban Retirees	10	10	20	1.3%
Hometown Retirees	5	0	5	0.3%
Suburban Seniors	10	0	10	0.6%
Subtotal:	165	540	705	45.5%

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

\*\* Predominantly one- and two-person households.

† For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$68,200.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

**Target Groups For New Single-Family Detached For Sale**  
***The Target Market Study Area\****  
*City of Grand Rapids, Kent County, Michigan*

..... Number of Households .....

<b>Traditional &amp; Non-Traditional Families††</b>	<i>30% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
Unibox Transferees	0	40	40	2.6%
Late-Nest Suburbanites	0	20	20	1.3%
Full-Nest Suburbanites	20	50	70	4.5%
Full-Nest Urbanites	10	25	35	2.3%
Multi-Ethnic Families	10	30	40	2.6%
Blue-Collar Button-Downs	5	35	40	2.6%
Multi-Cultural Families	10	40	50	3.2%
Working-Class Families	10	0	10	0.6%
Inner-City Families	5	0	5	0.3%
In-Town Families	5	0	5	0.3%
Subtotal:	75	240	315	20.3%
<b>Younger Singles &amp; Couples**</b>				
The Entrepreneurs	0	60	60	3.9%
The VIPs	0	30	30	1.9%
Fast-Track Professionals	0	15	15	1.0%
Upscale Suburban Couples	40	235	275	17.7%
Twentysomethings	0	25	25	1.6%
Suburban Achievers	15	55	70	4.5%
Small-City Singles	10	30	40	2.6%
Working-Class Singles	15	0	15	1.0%
Subtotal:	80	450	530	34.2%
<b>Total Households:</b>	<b>320</b>	<b>1,230</b>	<b>1,550</b>	<b>100.0%</b>
<b>Percent of Total:</b>	<b>20.6%</b>	<b>79.4%</b>	<b>100.0%</b>	

\* Census Tracts 8, 9, 14-16, 19-21, 24-28, 30-32, 36-40. Includes some or all of the business districts of the Northeast, West Side, Downtown, Uptown, Southwest, and Southeast Study Areas.

\*\* Predominantly one- and two-person households.

† For fiscal year 2014, the Grand Rapids-Wyoming FMR Median Family Income for a family of four is \$68,200.

†† Predominantly three -to five-person households.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

- Empty nesters and retirees, at just under 44 percent, comprise the largest segment of the market for new urban single-family detached for-sale units. However, just 2.8 percent would be in the market for new urban houses with base prices at \$400,000 and up. Another 38.9 percent would only be able to purchase new urban houses with base prices of no more than \$250,000, whereas over 58 percent could purchase new units priced between \$250,000 and \$400,000.
- Younger singles and couples are the second largest segment of the market for new urban single-family detached for-sale units; however, at 36.6 percent, they represent a smaller percentage of this market than for the other housing types. The more affluent younger singles and couples, approximately 13 percent, would be able to purchase new urban houses with base prices at or above \$400,000, just under 27 would be able to afford houses priced between \$200,000 and \$400,000, but the majority of the younger singles and couples, 60 percent, could only afford urban houses priced below \$250,000.
- At approximately 19.5 of the annual potential market, traditional and non-traditional families represent the smallest market segment for new urban detached houses. Slightly less than 44 percent could only afford new urban detached houses priced below \$250,000, 52.1 percent would be able to purchase urban houses priced between \$250,000 and \$400,000, and the remaining 4.2 percent could pay base prices of \$400,000 or more.

Up to 320 households with incomes between 30 percent and 80 percent of the AMI represent the target markets for newly-constructed *affordable/workforce* single-family detached for-sale (house) housing units in the Target Market Study Area (*see again* Table 14). For these units, the assumption is that the 20 percent down payment would be subsidized. The distribution by price range of the prices those 320 households could support is summarized on the table on the following page:



**Distribution by Price Range**  
**Target Groups for New Single-Family Detached For Sale**  
**Households with Incomes Between 30 Percent and 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$100,000–\$115,000	50	15.6%
\$115,000–\$130,000	70	21.9%
\$130,000–\$145,000	60	18.8%
\$145,000–\$160,000	55	17.2%
\$160,000–\$175,000	50	15.6%
\$175,000–\$190,000	<u>35</u>	<u>10.9%</u>
Total:	340	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

- Empty nesters and retirees comprise 51.6 percent of the market for newly-constructed affordable/workforce single-family detached for-sale units (houses). A third of the empty nesters and retirees would be limited to new affordable detached houses with base prices between \$100,000 and \$130,000, 39.4 percent could afford new houses priced between \$130,000 and \$160,000, and the remaining 27.3 percent could afford new detached houses priced between \$160,000 and \$190,000.
- Younger singles and couples represent a quarter of the market for newly-constructed affordable/workforce detached houses. Half of the younger singles and couples could only afford to purchase newly-constructed detached houses priced between \$100,000 and \$130,000; and 37.5 percent could purchase new houses priced between \$130,000 and \$160,000. The remaining 12.5 percent would be able to pay between \$160,000 and \$190,000 for new detached units.
- Family households—predominantly compact and non-traditional families—make up 23.4 percent of the market for newly-constructed affordable/workforce detached houses. Just under 36 percent could afford newly-constructed detached houses priced between \$100,000 and \$130,000; 28.6 percent would be able to purchase new houses priced between \$130,000 and \$160,000; and the remaining 35.7 percent are capable of purchasing new detached houses priced between \$160,000 and \$190,000.

—TARGET MARKET STUDY AREA ASSETS AND CHALLENGES—

From a market perspective, the assets of the Target Market Study Area are considerable, including:

- **Employment:** Downtown is the principle regional jobs center, with over 36,000 employees associated with government and private sector offices, numerous small businesses, shops and restaurants.
- **Historic buildings/districts:** A large number of buildings, architecturally and historically significant, provide a distinct architectural identity for the city, both in the Downtown core and the surrounding neighborhoods; there are also several historic districts in the Study Area, including the Heartside District, the Heritage Hill District, the Ledyard Block in Downtown, the Cherry Hill Historic District, Fairmount Square Historic District and the Wealthy Theatre Historic District.
- **Culture:** Downtown Grand Rapids is the cultural center of Western Michigan, where multiple museums, theaters, and performance venues are located.
- **Medical and Higher Educational Institutions:** The Medical Mile, bordering both sides of Michigan Street, includes the Van Andel Institute; Spectrum Health's Butterworth Hospital complex which includes the Meijer Heart Center, the Helen DeVos Children's Hospital and the Lemmen-Holton Cancer Pavilion; Grand Valley State University's Cook-DeVos Center for Health Sciences; Michigan State University's Secchia Center Medical School; and Grand Rapids Community College's Calkins Science Center. In addition, at the southern end of Downtown, are the St. Mary's Campus of Mercy Health and the Mary Free Bed Rehabilitation Hospital. Kendall College of Art and Design, Grand Valley State University and Grand Rapids Community College, with thousands of students and education affiliates, are located adjacent to or within Downtown.

From a market perspective, the current challenges of the Target Market Study Area include:

- Low real estate values vis-à-vis construction costs: Values and appreciation of existing housing stock remain low. High construction costs and a constrained lending environment make project feasibility challenging, and typically incentives or subsidies are required to bring a project to market.
- Aging housing stock: Most of the houses in the Target Market Study Area neighborhoods are 80 to over 100 years old and many require upgrading to modern standards (closets, new kitchens and baths, wiring, furnaces) to make them marketable; typically, renovation costs would not be recovered at resale.

—OPTIMUM MARKET POSITION: NEW MARKET-RATE DWELLING UNITS—

The urban unit and housing types appropriate for construction for all incomes in the core Downtown are rental and for-sale (condominium) lofts and apartments developed in the upper floors of Downtown multi-story buildings, as well as new construction multi-family buildings, including podium and liner buildings, on redevelopment sites. In the surrounding neighborhoods, the appropriate urban housing types for all incomes include smaller-scale apartment buildings, mansion apartment buildings (two over two), and maisonette buildings; and new construction infill for-sale townhouses and urban detached houses. (*For greater detail, see URBAN BUILDING AND UNIT TYPES below.*)

As established above under MARKET POTENTIAL FOR THE TARGET MARKET STUDY AREA, based on the housing preferences of the 5,605 target households with preferences for urban housing and with incomes at or above 80 percent of the AMI, the overall target mix of new market-rate units should include approximately 47.3 percent multi-family for-rent (2,650 households); and 52.7 percent for-sale housing units (2,955 households), which includes 14.7 percent multi-family for-sale (825 households), 16.1 percent single-family attached for-sale (900 households), and 21.9 percent single-family detached for-sale (1,230 households).

Based on the housing preferences of the 2,025 target households with preferences for urban housing and with incomes between 30 and 80 percent of the AMI, the overall target mix of new affordable/workforce units should include approximately 55.3 percent multi-family for-rent (1,120 households); and 44.7 percent for-sale housing units (905 households), which includes 11.9 percent multi-family for-sale (240 households), 17 percent single-family attached for-sale (345 households), and 15.8 percent single-family detached for-sale (320 households).

The optimum market position for new *market-rate* housing units in the Target Market Study Area has been established based on a variety of factors, including but not limited to:

- The lifestyles, tenure and housing preferences of draw area households with incomes at or above 80 percent AMI;
- Grand Rapids's solidly-established sense of place;
- The physical and locational assets and challenges of the Target Market Study Area; and
- Current residential market dynamics in the Grand Rapids market area.

Based on the preceding, the optimum market position for new market-rate rental and for-sale housing within the Target Market Study Area is summarized on the following table (*see also* Table 15 *for further detail by neighborhood and housing type*):

**Base Rent, Price and Size Ranges**  
**New and Renovated Market-Rate Housing Units**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

HOUSING TYPE	RENT/PRICE RANGE	SIZE RANGE	RENT/PRICE PER SQ. FT.
<b>FOR-RENT (MULTI-FAMILY)—</b>			
Downtown, Uptown, Westside, Northeast	\$750–\$2,700/month	350–1,500 sf	\$1.50–\$2.14 psf
Southeast and Southwest	\$700–\$1,300/month	500–1,000 sf	\$1.30–\$1.40 psf
<b>FOR-SALE (MULTI-FAMILY)—</b>			
Downtown, Uptown, Westside, Northeast	\$150,000–\$425,000	750–1,800 sf	\$180–\$246 psf
Southeast and Southwest	\$125,000–\$165,000	800–1,100 sf	\$150–\$156 psf
<b>FOR-SALE (SINGLE-FAMILY ATTACHED)—</b>			
Downtown, Uptown, Westside	\$250,000–\$365,000	1,300–1,850 sf	\$181–\$233 psf
Northeast, Southeast, Southwest	\$160,000–\$200,000	900–1,250 sf	\$160–\$178 psf
<b>FOR-SALE (SINGLE-FAMILY DETACHED)—</b>			
Westside, Northeast, Southeast, Southwest	\$195,000–\$250,000	1,100–1,650 sf	\$152–\$177 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

**Optimum Market Position: 4,500 New Market-Rate Dwelling Units****Target Market Study Area***City of Grand Rapids, Kent County, Michigan***January, 2015**

<i>Percentage/ Number of Units</i>	<i>Housing Type</i>	<i>Percent Mix</i>	<i>Base Rent/Price Range*</i>	<i>Base Unit Size Range</i>	<i>Base Rent/Price Per Sq. Ft.*</i>	<i>Annual Market Capture</i>
<b>47.3%</b>	<b>Multi-Family For-Rent (Apartments)</b>					
<b>2,128</b> du						<b>530 - 663 du</b>
<b>1,850</b>	<b>..... Downtown, Uptown, Westside, and the North Quarter ....</b>					
	Hard Lofts	25%	\$800 to	450 to	\$1.50 to	
	Open Floorplans/1ba		\$1,350	900	\$1.78	
	Soft Lofts	45%	\$750 to	350 to	\$1.60 to	
	Microlofts/Studios/1br/1ba, 2br/1ba, 2br/2ba		\$2,000	1,250	\$2.14	
	Upscale Apartments	30%	\$1,500 to	750 to	\$1.80 to	
	1br/1.5ba to 3br/2.5ba		\$2,700	1,500	\$2.00	
<b>278</b>	<b>..... Southeast and Southwest ....</b>					
	Soft Lofts	100%	\$700 to	500 to	\$1.30 to	
	Studios/1br/1ba, 2br/2ba		\$1,300	1,000	\$1.40	
<b>14.7%</b>	<b>Multi-Family For-Sale (Condominiums)</b>					
<b>662</b> du						<b>83 - 124 du</b>
<b>525</b>	<b>..... Downtown, Uptown, Westside, and the North Quarter ....</b>					
	Hard Lofts	15%	\$150,000 to	750 to	\$180 to	
	Open Floorplans/1ba		\$225,000	1,250	\$200	
	Soft Lofts	50%	\$185,000 to	850 to	\$204 to	
	1br/1ba to 2br/2ba/den		\$285,000	1,400	\$218	
	Upscale Condominiums	35%	\$295,000 to	1,200 to	\$236 to	
	2br/2ba to 3br/2.5ba		\$425,000	1,800	\$246	
<b>137</b>	<b>..... Southeast and Southwest ....</b>					
	Soft Lofts	100%	\$125,000 to	800 to	\$150 to	
	1br/1ba to 2br/2ba		\$165,000	1,100	\$156	

NOTE: Base rents / prices in year 2015 dollars and exclude floor, view or lot premiums, options, or upgrades.

SOURCE: Zimmerman / Volk Associates, Inc.

# Optimum Market Position: 4,500 New Market-Rate Dwelling Units

## Target Market Study Area

City of Grand Rapids, Kent County, Michigan

January, 2015

<i>Number of Units</i>	<i>Housing Type</i>	<i>Percent Mix</i>	<i>Base Rent/Price Range*</i>	<i>Base Unit Size Range</i>	<i>Base Rent/Price Per Sq. Ft.*</i>	<i>Annual Market Capture</i>
<b>16.1%</b>	<b>Single-Family Attached For-Sale</b>					
<b>723</b> du						<b>90 - 135 du</b>
<b>500</b>	<i>Downtown, Uptown, and Westside</i>					
	Rowhouses/Townhouses <i>2br/1.5ba - 3br/2.5ba</i>	85%	\$250,000 to \$335,000	1,300 to 1,850	\$181 to \$192	
	Live-Work Units <i>1br/1.5ba - 2br/1.5ba</i>	15%	\$315,000 to \$365,000	1,350 to 1,600	\$228 to \$233	
<b>223</b>	<i>..... The North Quarter, Southeast, and Southwest .....</i>					
	Rowhouses/Townhouses <i>1br/1.5ba - 3br/2.5ba</i>	100%	\$160,000 to \$200,000	900 to 1,250	\$160 to \$178	
<b>21.9%</b>	<b>Single-Family Detached For-Sale</b>					
<b>987</b> du						<b>123 - 185 du</b>
	<i>..... Westside, The North Quarter, Southeast, and Southwest .....</i>					
	Urban Cottages/Houses <i>2br/2ba - 3br/2.5ba</i>	100%	\$195,000 to \$250,000	1,100 to 1,650	\$152 to \$177	
<b>100.0%</b>						
<b>4,500</b> total units						<b>826 - 1,107 du</b>

NOTE: Base rents/prices in year 2015 dollars and exclude floor, view or lot premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

The preceding rents and prices are in 2015 dollars and apply to new market-rate housing units. As noted previously in this study, the market position (unit sizes and rents) of income-qualified units is determined by the finance and subsidy programs utilized.

Based on target market preferences, the neighborhood and housing type distribution of new affordable/workforce housing units is shown as follows:

- 968 new affordable/workforce urban rental lofts and apartments  
790 in the Downtown, Uptown, Westside and the Northeast  
178 located in the Southeast and Southwest
- 207 new affordable/workforce urban lofts/condominiums  
165 in the Downtown, Uptown, Westside and the Northeast  
42 located in the Southeast and Southwest
- 298 new affordable urban rowhouses/townhouses and live-work units  
170 in the Downtown, Uptown and Westside  
128 rowhouses/townhouses in the Northeast, Southeast and Southwest
- 277 new affordable/workforce urban single-family cottages and detached houses  
All in Westside, the Northeast, Southeast and Southwest

Multi-floor commercial building owners throughout the Target Market Study Area should continue to be encouraged to convert their upper floors to residential units. The upper floors of smaller buildings are usually suitable for conversion to apartments; however, many of the owners of these buildings have no experience with residential and are therefore reluctant to commit to conversion. Several cities have upper-floor programs to assist in these conversions. A very successful example is the Pittsburgh Vacant Upper Floors Program that provides free pre-development consultation and schematic drawings for building owners considering renovation of their upper floors, as well as gap financing to owners of buildings with up to eight floors of potential residential development.

Wherever possible, the vacant parcels and/or open parking lots in the Target Market Study Area should be redeveloped with a mix of uses, including residential. New rental development is appropriate throughout the Study Area to provide diversity of housing types. However, the goal should also be to promote home ownership whenever it makes financial as well as market sense.



The homeownership strategy could include the repositioning of many of the larger single-family houses that have been converted to multi-family rentals, with the intention of serving the widest possible range of households. Any single building could be repositioned using one of three general tactics, ranging from single-building rehabilitation, to multiple buildings treated as a single condominium association, or as an income property. These tactics include:

- Rehabilitation and repositioning of rental units to serve a broader renter market.  
Depending on condition, location, immediate context, architectural quality, number of buildings and number of units, rental repositioning can range from a simple cosmetic rehab (with new floor surfaces, cabinets and appliances) to a gut rehabilitation (with reconfigured unit layouts and new kitchens and baths).

- Conversion of rentals to condominiums.  
As with the rentals, depending on condition, location, number of buildings and number of units, condominium conversion of buildings can range from minimal changes in individual units in the building to a gut rehabilitation. The extent of renovation will have significant impact on the achievable prices.

In most states, buildings do not have to be contiguous in order to be grouped into a condominium association; Michigan law and lenders' policies on this issue should be confirmed. However, contiguity or close proximity is best since tensions can sometimes arise when owners of units in widely-separated buildings in different settings are voting on items such as a special assessment for a capital improvement in one of the buildings.

- Reversion to single-family owner occupancy.  
Single-family houses—particularly those of architectural merit—can be restored to their original configuration for single-family occupancy. Depending on condition, location and the objective of the individual buyer, the physical restoration can range from an owner-occupant's long-term sweat equity to a renovation specialty firm's full gut rehab. Again, the extent of renovation will have significant impact on the achievable prices.

Consideration should be given to establishing a “Live Near Your Work” incentive program. In Detroit, that program has been responsible for encouraging more than 1,500 households to move into the target areas of Downtown and Midtown. The employees of several businesses—Blue Cross Blue Shield of Michigan, Compuware, DTE Energy, Marketing Associates, Quicken Loans and Strategic Staffing Solutions—are eligible for financial incentives to live near their work. The incentives apply to units located in Downtown, Midtown, Woodbridge, Corktown, Eastern Market and Lafayette Park/East Jefferson, and are intended for both new residents (up to \$20,000 in a forgivable loan towards the down purchase of a primary residence, or a \$2,500 allowance toward the first year’s rent, followed by a \$1,000 allowance the second year), as well as residents already living in an incentive neighborhood (matching funds of up to \$5,000 towards exterior improvements costing \$10,000 or more, or an allowance of \$1,000 upon lease renewal).

—MARKET CAPTURE—

As noted in the INTRODUCTION, although showing signs of recovery, the housing market continues to be weak by historical measures, and uncertainty concerning housing values continues to hold some potential homebuyers out of the market in many metro areas. Partly as a result of the weak ownership housing market, there has been a significant shift in market preferences from home ownership to rental units, particularly among younger households.

In the context of the target market methodology, and the size of the Target Market Study Area, new rental development (including adaptive re-use of existing non-residential buildings as well as new construction) in the Study Area should be able to achieve a capture of 20 percent of the annual potential market over the near term and 25 percent longer term.

Given current economic conditions, and the expectation of continued improvement for new for-sale housing over the near term, Zimmerman/Volk Associates has determined that an annual capture of approximately 10 percent of the potential market for each for-sale housing type is achievable in the Study Area over the next two to three years, and up to 15 percent over the next three to five years. (Nationally, prior to the housing collapse in 2008, new dwelling units represented 15 percent of all units sold; currently, the National Association of Realtors reports that new units represent approximately eight to nine percent of total housing sales.)

Based on a 20 to 25 percent capture of the potential market for new rental housing, and a 10 to 15 percent capture of the potential market for new for-sale housing units, the Target Market Study Area should be able to absorb an annual average of between 826 and 1,107 new market-rate multi-family and single-family attached and detached housing units per year over the next five years, as shown on the table on the following page:

**Annual Capture of Market Potential**  
**Households With Incomes At Or Above 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATE	NUMBER OF NEW UNITS
Multi-family for-rent (lofts/apartments, leaseholder)	2,650	20% - 25%	530 - 663
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	825	10% - 15%	83 - 124
Single-family attached for-sale (rowhouses/townhouses, fee-simple ownership)	900	10% - 15%	90 - 135
Single-family detached for-sale (urban houses, fee-simple ownership)	1,230	10% - 15%	123 - 185
Total	5,605		826 - 1,107

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

At these forecast capture rates, over the next five years, between 2,650 and 3,315 new market-rate multi-family rental units could be absorbed within the Study Area, and between 415 and 620 new market-rate multi-family for-sale (condominium) units, between 450 and 675 new market-rate single-family attached (rowhouse/townhouse) units, and between 615 and 925 new market-rate single-family detached (house) units could be absorbed within the Target Market Study Area over the next five years. A total of between 4,130 and 5,535 new market-rate housing units could therefore be supported in the Study Area over the next five years.

A significant percentage of those units will be absorbed in the Downtown. The UPDATE OF RESIDENTIAL MARKET POTENTIAL published in August, 2014 by this firm, found that, in the Downtown, absorption of new market-rate units could be achieved as follows: between 281 and 352 new market-rate rental units per year; 40 to 50 new market-rate condominiums per year; and 51 to 64 new market-rate townhouses/rowhouses per year.

The balance of the Target Market Study Area should therefore be able to absorb an annual average of between 454 and 641 new market-rate multi-family and single-family attached and detached housing units per year over the next five years, as shown on the table on the following page:

**Annual Capture of Market Potential  
 Households With Incomes At Or Above 80 Percent AMI  
 Downtown and Balance of The Target Market Study Area  
*City of Grand Rapids, Kent County, Michigan***

HOUSING TYPE	ANNUAL NUMBER OF UNITS	DOWNTOWN	BALANCE OF STUDY AREA
Multi-family for-rent (lofts/apartments, leaseholder)	530 - 663	281 - 352	249 - 311
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	83 - 124	40 - 50	43 - 74
Single-family attached for-sale (rowhouses/townhouses, fee-simple ownership)	90 - 135	51 - 64	39 - 71
Single-family detached for-sale (urban houses, fee-simple ownership)	123 - 185	0	123 - 185
Total	826 - 1,107	372 - 466	454 - 641

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

Based on those same capture rates—20 to 25 percent for new rental units, and 10 to 15 percent for new for-sale units—the Target Market Study Area should be able to absorb an annual average of between 315 and 416 new *workforce/affordable* multi-family and single-family attached and detached housing units per year over the next five years, as shown on the table on the following page:

**Annual Capture of Market Potential**  
**Households With Incomes Between 30 and 80 Percent AMI**  
**The Target Market Study Area**  
*City of Grand Rapids, Kent County, Michigan*

HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATE	NUMBER OF NEW UNITS
Multi-family for-rent (lofts/apartments, leaseholder)	1,120	20% - 25%	224 - 280
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	240	10% - 15%	24 - 36
Single-family attached for-sale (rowhouses, fee-simple ownership)	345	10% - 15%	35 - 52
Single-family detached for-sale (urban houses, fee-simple ownership)	320	10% - 15%	32 - 48
Total	2,025		315 - 416

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

At these forecast capture rates, a total of between 1,575 and 2,080 new *workforce/affordable* housing units could be supported in the Study Area over the next five years, for a combined annual total of between 5,705 and 7,615 new market-rate and workforce/affordable housing units absorbed in the Study Area over the next five years.

These housing type-specific capture rates are well within the parameters required for feasible development. For a study area of this size and scale, there is a high degree of confidence in a capture rate of up to 25 percent for new multi-family rental and for-sale development and up to 15 percent for new single-family attached and detached for-sale development.

NOTE: The target market capture rates of the potential purchaser or renter pool are a unique and highly-refined measure of feasibility. Target market capture rates are *not* equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** represents the *annual* forecast absorption—in aggregate and by housing type—as a percentage of the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** represents the *total* number of dwelling units planned for a property as a percentage of the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** represents the *total* number of buyers or renters as a percentage of the *total* number of prospects that have visited a site.

Because the prospective market for a property is more precisely defined using target market methodology, a substantially smaller number of households are qualified; as a result, target market capture rates are higher than the more grossly-derived penetration rates. The resulting higher capture rates remain within the range of feasibility.

—BUILDING AND IN-UNIT AMENITIES—

Younger singles and couples, principally the Millennial generation, are the largest target market for the new housing units in the Target Market Study Area. As a group, these households exhibit strong preferences for sustainable development and green building practices.

General Recommendations—Rental units:

In general, in-unit amenities in rental need not be elaborate, simply well-chosen in line with the rents. Urban renters expect contemporary finishes appropriate to urban living, as opposed to the standardized finishes of conventional suburban multi-family housing.

- Wherever possible, recycled and genuinely sustainable materials should be used, with an emphasis on “genuine.” Younger households can be skeptical of “greenwashing”—materials or practices that make false or only partially-true claims of sustainability. Materials that are low in volatile organic compounds (VOCs) will be important, particularly to young families.
- Access to high-speed internet and cable television should be provided in all units. High-bandwidth internet access will become increasingly important—particularly to younger households—as more media are accessed via the internet, often through multiple devices simultaneously, rather than conventional cable or satellite providers.
- Each unit should include at least one combination duplex outlet/USB charging socket, typically located at the dry end of the kitchen counter.
- Bamboo or hardwood flooring should be used in the living areas, carpeting in the bedrooms. Concrete floors, used where practical or in adaptive re-use buildings, should be scored, stained and polished.
- Lighting fixtures capable of accommodating compact fluorescent or LED bulbs. All fixtures, faucets and lighting should be clean, minimalist and contemporary.
- Contemporary-design ceiling fans in living room and bedrooms.
- Washer/dryer hook-ups.
- Studio apartments should be designed without interior walls, with the exception of the bathroom, and with as much closet and storage space as possible.



- Kitchens: Although until recently, granite kitchen countertops have been the norm, “green” alternatives should be used to match the target markets’ environmental sensitivity. Products to consider include those composed of recycled materials, quartz composite materials, or new terrazzo products. Durability and maintenance issues should be the criteria when selecting from among these relatively-new materials. For example, some solid surface materials are susceptible to damage by hot cookware and should be avoided in rentals. Integral or undermount stainless sinks. White or black appliances, including dishwasher, microwave, refrigerator, and stove. Plain-front cabinetry. Linoleum flooring—as opposed to vinyl—because it is made from renewable materials; linoleum is now available in a variety of modern designs and styles in keeping with today’s market preferences.
- Bathrooms: Vessel-style sinks, low-flow toilets. Bathrooms in studios should be compact, with a shower compartment only. Smaller one-bedrooms should have a shower compartment only, and larger one-bedrooms should have a combination tub/shower unit. Bathroom access in one-bedroom apartments should never be through the bedroom. In apartments with two bathrooms, the master bath does not require a bathtub, but should have an upgraded shower enclosure with upgraded showerheads, *e.g.*—rain showerheads. The second bath should contain a combination tub/shower unit.

#### General Recommendations—For-sale units:

Buyers should be provided a choice of contemporary or traditional finishes for kitchen cabinets and bathroom built-ins.

- Wherever possible, recycled, genuinely sustainable and low-VOC materials should be used.
- Again, access to high-bandwidth internet and cable television should be provided in all units.
- As with the rentals, each unit should include at least one combination duplex outlet/USB charging socket, typically located at the dry end of the kitchen counter.

- Solid wood interior doors—book-matched flush doors for the contemporary designs, four- or six-panel doors for the traditional; hardwood floors with a choice of traditional finishes (such as crown molding, chair rails, five-panel interior doors) or modern minimal finishes (simple molding, stainless hardware, etc.).
- Lighting fixtures capable of accommodating compact fluorescent or LED bulbs. All fixtures, faucets and lighting should be clean, minimalist and contemporary.
- Carpeted bedroom floors, carpet or hardwood in living and dining areas.
- Ceiling fans—again contemporary or traditional—in living room and bedrooms.
- Washer and dryer included in each unit.
- Kitchens: Kitchen countertops should be granite, solid-surface, *e.g.*—Corian, or one of the green alternatives. Choice of contemporary European or traditional cabinets, with integral or undermount stainless sinks and appliances, including dishwasher, microwave, refrigerator, and stove. Wood or ceramic tile flooring.
- Bathrooms: Vessel-style sinks, low-flow toilets. All one-bedroom units should have a combination tub/shower unit. Again, bathroom access in the one-bedroom apartments should never be through the bedroom. In apartments with two bathrooms, the master bath does not require a bathtub, but should have a tiled shower enclosure with glass doors and upgraded showerheads, *e.g.*—rain showerheads. The second bath should contain a combination tub/shower unit. Ceramic tile flooring.

Building amenities that are not very expensive to provide but are practical and therefore highly attractive to the target markets include storage units, secure bicycle storage, and recycling bins in the mail room. Individual building security should be provided with an internet-enabled video entrance system with key fob-activated entry for residents. Unit-specific alarm security could be provided at an extra cost.

An additional building amenity to consider if there is space is a community center/clubhouse with a business center and conference room facilities, kitchen and bathroom. Cyclists will require

secure bicycle storage with all residential types and would appreciate a bicycle repair and maintenance room, including a repair stand, standard bike tools and air pumps.

In the core Downtown, one parking space per rental unit and one-and-a-half parking spaces per for-sale unit should be provided. Rental parking spaces do not have to be covered; parking spaces of for-sale units should either be integral to the building or in adjacent or nearby parking garages. Infill rowhouses/townhouses and single-family detached houses are self-parked. Outside the core Downtown, depending on location, walkability, and access to transit, up to two spaces per dwelling unit may be required for multi-family buildings, both rental and for-sale.

## URBAN BUILDING AND UNIT TYPES

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Building types that are most appropriate for development on infill sites *outside* the core Downtown include the courtyard apartment building and the mansion apartment building; new development *inside* the core Downtown should maximize density as much as possible.

### —MULTI-FAMILY BUILDINGS—

- Courtyard Apartment Building: In new construction, an urban, pedestrian-oriented equivalent to conventional garden apartments. An urban courtyard building is three or more stories, often combined with non-residential uses on the ground floor. The building should be built to the sidewalk edge and, to provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk.



**Courtyard Apartment Building**

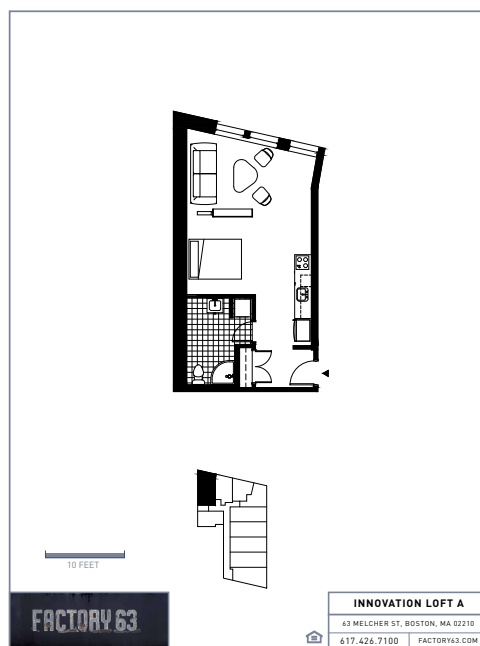
- Loft Apartment Building: Either adaptive re-use of older warehouse or manufacturing buildings or a new-construction building type inspired by those buildings. The new-construction version usually has double-loaded corridors.



Loft building

- Microlofts: Several cities across the country are changing minimum unit size requirements as part of a strategy to attract young knowledge workers. Millennial knowledge workers have responded positively to efficiency units as small as 220 square feet in high-cost cities, often leasing out new micro loft projects within a matter of days.

The City of Boston reduced the city's 450-square-foot unit minimum to 350 square feet in a pilot program currently limited to the South Boston "Innovation District." As of February, 2014, 353 micro-units have been approved. The first property to market micro-units, the 38-unit Factory 63, was completely leased within a week, reportedly all to renters who worked within a 10-block radius of the property. Initial rents were between \$1,200 a month for 337 square feet to \$2,450 for 597 square feet; fully-leased. There is a waiting list for vacancies in the property where rents now start at \$1,699.



Factory 63

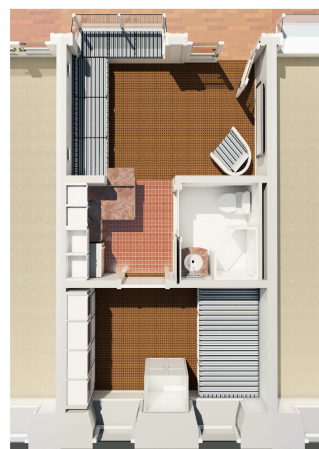


San Francisco has reduced allowable minimum from 290 square feet to 220 square feet, but limited the change to 375 units until market impact has been assessed by the City's planning department; the concern is that the higher-profit micro units could reduce housing opportunities for households with children. The first completed project, SoMa Studios with 23 295-square-foot units, was bulk leased for five years to the California College of the Arts. The same developer, Panoramic Interests, has a 160-unit building planned with 220-square-foot units slated when announced in 2012 with monthly rents between \$1,300 and \$1,500 (\$5.90 to \$6.80 per square foot); at the time the average San Francisco studio rent was \$2,075 for 493 square feet, or \$4.21 per square foot. The building will include substantial common space and parking for 240 bicycles but, other than a single car-share spot, no automobile parking.



Panoramic Interests

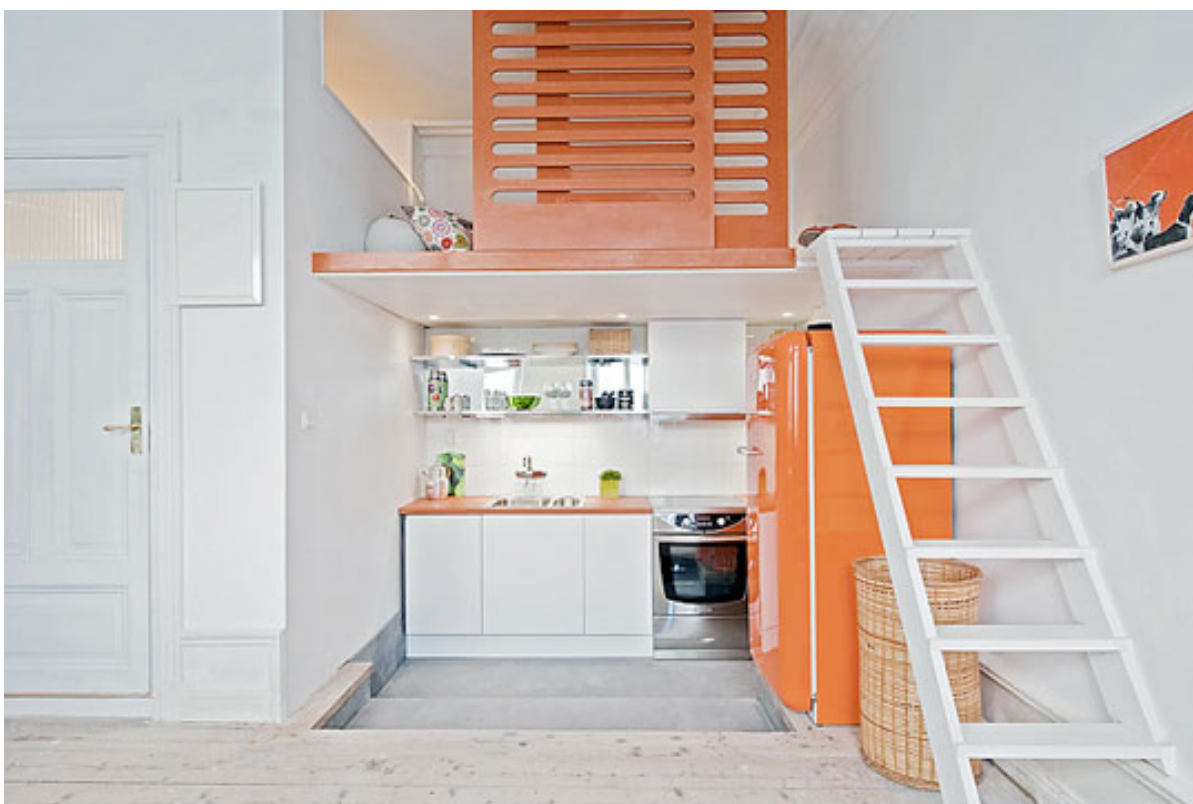
Because of their small size and intricate layouts, small units are challenging to develop within existing buildings. A recent example of creating micro-units through the adaptive re-use of a non-residential building is the redevelopment of the historic, 1828 Arcade building in Providence, Rhode Island. The oldest surviving indoor mall in the nation, the Arcade closed when its three-story interior retail format was no longer economically viable. It re-opened in 2014 with ground-level retail and its two upper levels converted into 48 dwellings, including 38 micro units ranging from 225 to 450 square feet furnished with built-in beds, storage, banquette seating. In February, 2014, when half the units were completed and occupied, there was a 2,000-name waiting list for the remaining units. Units are now fully leased at rents starting at \$550 a month, \$2.44 per square foot.



Arcade Building.



- Studio Loft/Mezzanine Loft: Lofts with an additional half level, or mezzanine. The kitchen and bath are on the main level, with the sleeping area located in the loft space.



**Studio Loft/Mezzanine Loft**

- Hard Loft: Unit interiors typically have high ceilings and commercial windows and are minimally finished (with minimal room delineations such as columns and fin walls), or unfinished (with no interior partitions except those for bathrooms).



**Hard Loft**

- Soft Loft: Unit interiors typically have high ceilings, are fully finished and partitioned into individual rooms. Units may also contain architectural elements reminiscent of “hard lofts,” such as exposed ceiling beams and ductwork, concrete floors and industrial finishes, particularly if the building is an adaptive re-use of an existing industrial structure.



**Soft Loft**

- Luxury Apartment: A more conventionally-finished apartment unit, typically with completely-partitioned rooms.—trim, interior doors, kitchens and baths are fitted out with higher-end finishes and fixtures.



**Luxury Apartment**



- Liner Building: An apartment building with apartments and/or lofts lining two to four sides of a multi-story parking structure. Units are typically served from a single-loaded corridor that often includes access to parking. Ground floors typically include a traditional apartment lobby and can also include maisonette apartments, retail or some combination of the two.



Liner Building

- Maisonette Apartment Building: A three-story building with an elevation that resembles a row of townhouses; the interior, however, combines single-level and two-level apartments. Each unit has its own street entrance and attached garage, accessed from the rear of the building.



**Maisonette Apartment Building**

- Mansion Apartment Building: A two- to three-story flexible-use structure with a street façade resembling a large detached or attached house (hence, “mansion”). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. The building can accommodate a variety of uses—from rental or for-sale apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood.



**Mansion Apartment Building**



- Mixed-Use Building: A pedestrian-oriented building, either attached or free-standing, with apartments and/or offices over flexible ground floor uses that can range from retail to office to residential.



**Mixed-Use Building**



- Podium Building: An apartment building construction type with two or more stories of stick-frame residential units (lofts or apartments) built over a single level of above-grade structured parking, usually constructed with reinforced concrete. With a well-conceived street pattern, a podium building can include ground-level non-residential uses lining one or more sides of the parking deck.



Podium Building

—SINGLE-FAMILY ATTACHED—

- Townhouse: Similar in form to a conventional suburban townhouse except that the garage—either attached or detached—is located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban townhouses conform to the pattern of streets, typically with shallow front-yard setbacks.



**Townhouse**

- Duplex: A two-unit townhouse with the garage—either attached or detached—located to the rear of the unit. Like the rowhouse, urban duplexes conform to the pattern of streets, typically with shallow front-yard setbacks. In a corner location, the units can each front a different street.



**Corner Duplex**



- Live-work: A unit or building type that accommodates non-residential uses in addition to, or combined with living quarters. The typical live-work unit is a building, either attached or detached, with a principal dwelling unit that includes flexible space that can be used as office, retail, or studio space, or as an accessory dwelling unit.



**Live-work unit**

—SINGLE-FAMILY DETACHED—

- Bungalow Court Houses: Relatively small, one- or one-and-a-half-story single-family detached houses—each with its own small yard—arranged in a U-shape enfronting a small common or green. The bungalows are separated from the common area only by a sidewalk, path or other non-vehicular way. Parking is from rear lanes, alleys or in a common, rear- or side-loaded lot. A bungalow almost always includes a large porch.



**Bungalow court**

- Cottage: A small one-, one-and-a-half- or two-story single-family detached house on a small lot, usually with alley-loaded parking.



Cottage



- Village House: A one-and-a-half- or two-story single-family detached house on a small lot, often with alley-loaded parking with attached, detached, or open parking—whether alley-loaded or not—set well back from the front façade; in many instances, the garage is framed by a porte-cochère.



**Village house with porte-cochère carport**



**Village house with porte-cochère and garage**

- Neighborhood House: A two- or three-story single-family detached house relatively close to the street with attached, detached, or open parking—whether alley-loaded or not—set well back from the front façade; in many instances, the garage is framed by a porte-cochère.

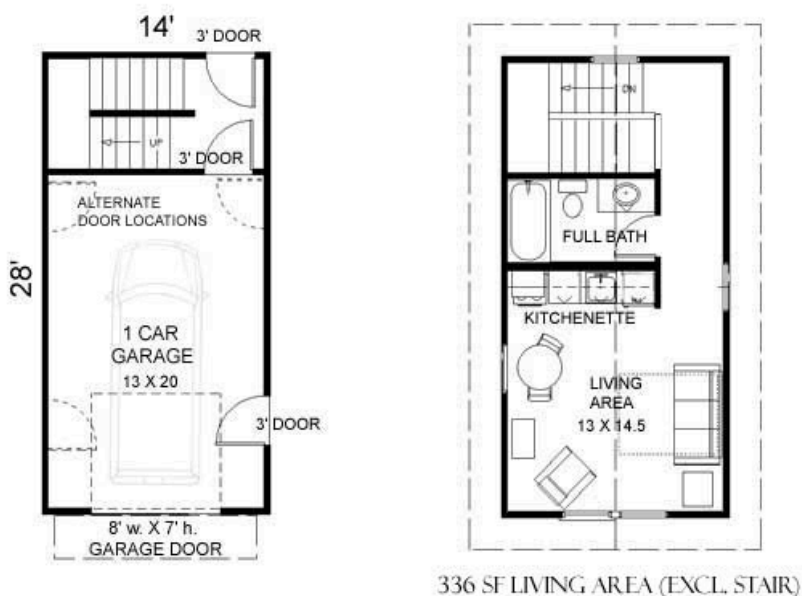


**Neighborhood House with Porte-Cochère and Garage**



—MISCELLANEOUS BUILDING TYPES—

- Accessory Unit: A secondary dwelling unit associated with a principal residence on a single lot. An accessory unit is typically located over the garage, attached or detached, of a rowhouse or detached house. Also known as “garage apartment,” “ancillary apartment,” “accessory apartment,” “granny flat,” “outbuilding” when detached, and “backbuilding” when attached to the principal residence.



Accessory Unit





## ZIMMERMAN/VOLK ASSOCIATES, INC.

Post Office Box 4907  
Clinton, New Jersey 08809  
908 735-6336  
info@ZVA.cc • www.ZVA.cc

Research & Strategic Analysis

### ASSUMPTION AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the target market methodology™ employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.





ZIMMERMAN/VOLK ASSOCIATES, INC.

Post Office Box 4907  
Clinton, New Jersey 08809  
908 735-6336  
info@ZVA.cc • www.ZVA.cc

Research & Strategic Analysis

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Zimmerman/Volk Associates, Inc., 2015

